

106TH CONGRESS  
2D SESSION

# S. 2968

To empower communities and individuals by consolidating and reforming the programs of the Department of Housing and Urban Development.

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IN THE SENATE OF THE UNITED STATES

JULY 27, 2000

Mr. ALLARD introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To empower communities and individuals by consolidating and reforming the programs of the Department of Housing and Urban Development.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Local Housing Opportunities Act”.

6       (b) TABLE OF CONTENTS.—The table of contents for  
7       this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.  
Sec. 3. Effective date.

TITLE I—PROGRAM CONSOLIDATION

- Sec. 101. Prohibition of unauthorized programs at the Department.
- Sec. 102. Elimination and consolidation of HUD programs.
- Sec. 103. HUD consolidation task force.

## TITLE II—COMMUNITY EMPOWERMENT

- Sec. 201. Reauthorization of community development block grants and prohibition of set-asides.
- Sec. 202. Community notification of opt-outs.
- Sec. 203. Urban homestead requirement.
- Sec. 204. Authorization of Moving to Work program.

## TITLE III—HOMELESS ASSISTANCE REFORM

- Sec. 301. Consolidation of HUD homeless assistance funds.
- Sec. 302. Establishment of the McKinney Homeless Assistance Performance Fund.
- Sec. 303. Repeal and savings provisions.
- Sec. 304. Implementation.

## TITLE IV—RURAL HOUSING

- Sec. 401. Mutual and self-help housing technical assistance and training grants authorization.
- Sec. 402. Enhancement of the Rural Housing Repair loan program for the elderly.
- Sec. 403. Enhancement of efficiency of rural housing preservation grants.
- Sec. 404. Project accounting records and practices.
- Sec. 405. Operating assistance for migrant farm worker projects.

## TITLE V—VOUCHER REFORM

- Sec. 501. Authorization of appropriations for rental vouchers for relocation of witnesses and victims of crime.
- Sec. 502. Revisions to the lease addendum.
- Sec. 503. Report regarding housing voucher program.
- Sec. 504. Conducting quality standard inspections on a property basis rather than a unit basis.

## TITLE VI—PROGRAM MODERNIZATION

- Sec. 601. Assistance for self-help housing providers.
- Sec. 602. Local capacity building for community development and affordable housing.
- Sec. 603. Work requirement for public housing residents: coordination of Federal housing assistance with State welfare reform work programs.
- Sec. 604. Simplified FHA downpayment calculation.
- Sec. 605. Flexible use of CDBG funds.
- Sec. 606. Use of section 8 assistance in grandfamily housing assisted with HOME funds.
- Sec. 607. Section 8 homeownership option downpayment assistance.
- Sec. 608. Reauthorization of Neighborhood Reinvestment Corporation.

## TITLE VII—STATE HOUSING BLOCK GRANT

- Sec. 701. State control of public and assisted housing funds.

## TITLE VIII—PRIVATE SECTOR INCENTIVES

Sec. 801. Sense of Congress regarding low-income housing tax credit State ceilings and private activity bond caps.

## TITLE IX—ENFORCEMENT

Sec. 901. Prohibition on use of appropriated funds for lobbying by the department.

Sec. 902. Regulations.

1 **SEC. 2. DEFINITIONS.**

2 In this Act—

3 (1) the term “Committees” means—

4 (A) the Committee on Banking, Housing,  
5 and Urban Affairs of the Senate and the Sub-  
6 committee on Housing and Transportation of  
7 that Committee; and

8 (B) the Committee on Banking and Finan-  
9 cial Services of the House of Representatives  
10 and the Subcommittee on Housing and Commu-  
11 nity Opportunity of that Committee;

12 (2) the term “Department” means the Depart-  
13 ment of Housing and Urban Development; and

14 (3) the term “Secretary” means the Secretary  
15 of Housing and Urban Development.

16 **SEC. 3. EFFECTIVE DATE.**

17 Except as otherwise expressly provided in this Act or  
18 an amendment made by this Act, this Act and the amend-  
19 ments made by this Act shall take effect on October 1,  
20 2001.

# **TITLE I—PROGRAM CONSOLIDATION**

## **SEC. 101. PROHIBITION OF UNAUTHORIZED PROGRAMS AT THE DEPARTMENT.**

(a) IN GENERAL.—Beginning on the effective date of this Act, the Secretary may not carry out any program that is not explicitly authorized by Federal law.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, the Secretary shall submit to the Committees a report, which shall include a detailed description of each program carried out by the Department, and the statutory authorization for that program or, if no explicit authorization exists, an explanation of the legal authority under which the program is being carried out.

## **SEC. 102. ELIMINATION AND CONSOLIDATION OF HUD PROGRAMS.**

(a) COMMUNITY INVESTMENT CORPORATION DEMONSTRATION.—Section 853 of the Housing and Community Development Act of 1992 (42 U.S.C. 5305 note) is repealed.

(b) NEW TOWNS DEMONSTRATION PROGRAM FOR EMERGENCY RELIEF OF LOS ANGELES.—Title XI of the Housing and Community Development Act of 1992 (42 U.S.C. 5318 note) is repealed.

1       (c) SOLAR ASSISTANCE FINANCING ENTITY.—Sec-  
 2       tion 912 of the Housing and Community Development Act  
 3       of 1992 (42 U.S.C. 5511a) is repealed.

4       (d) URBAN DEVELOPMENT ACTION GRANTS.—

5           (1) UDAG REPEAL.—Section 119 of the Hous-  
 6       ing and Community Development Act of 1974 (42  
 7       U.S.C. 5318) is repealed.

8           (2) CONFORMING AMENDMENTS.—Title I of the  
 9       Housing and Community Development Act of 1974  
 10      (42 U.S.C. 5301 et seq.) is amended—

11           (A) in section 104(d)(1), by striking “or  
 12           119” and “or section 119”;

13           (B) in section 104(d)(2), by striking “or  
 14           119”;

15           (C) in section 104(d)(2)(C), by striking  
 16           “or 119”;

17           (D) in section 107(e)(1), by striking “,  
 18           section 106(a)(1), or section 119” and inserting  
 19           “or section 106(a)(1),”;

20           (E) in section 107(e)(2), by striking “sec-  
 21           tion 106(a)(1), or section 119” and inserting  
 22           “or section 106(a)(1)”;

23           (F) in section 113(a)—

24                   (i) in paragraph (2), by adding “and”  
 25                   at the end;

1 (ii) by striking paragraph (3); and  
 2 (iii) by redesignating paragraph (4) as  
 3 paragraph (3).

4 (e) SPECIAL PURPOSE GRANTS.—Section 107 of the  
 5 Housing and Community Development Act of 1974 (42  
 6 U.S.C. 5307) is amended—

7 (1) in subsection (a)(1)—

8 (A) by striking subparagraphs (C), (D),  
 9 and (G);

10 (B) by redesignating subparagraphs (E),  
 11 (F), (H), and (I) as subparagraphs (C), (D),  
 12 (E), and (F), respectively; and

13 (C) in subparagraph (D) (as redesignated)  
 14 by striking “(6)” and inserting “(5)”; and

15 (2) in subsection (b)—

16 (A) in paragraph (4), by adding “and” at  
 17 the end;

18 (B) by striking paragraphs (5) and (7);

19 (C) by redesignating paragraph (6) as  
 20 paragraph (5); and

21 (D) in paragraph (5) (as redesignated) by  
 22 striking “; and” and inserting a period.

23 (f) MODERATE REHABILITATION ASSISTANCE IN  
 24 DISASTERS.—Section 932 of the Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C. 1437c note) is  
2 repealed.

3 (g) RENT SUPPLEMENT PROGRAM.—

4 (1) REPEAL.—Section 101 of the Housing and  
5 Urban Development Act of 1965 (12 U.S.C. 1701s)  
6 is repealed.

7 (2) REFERENCES.—Any reference in any provi-  
8 sion of law to section 101 of the Housing and Urban  
9 Development Act of 1965 (12 U.S.C. 1701s) shall be  
10 construed to refer to that section as in existence im-  
11 mediately before the effective date of this Act.

12 (h) NATIONAL HOMEOWNERSHIP TRUST DEM-  
13 ONSTRATION.—Subtitle A of title III of the Cranston-Gon-  
14 zalez National Affordable Housing Act (42 U.S.C. 12851  
15 et seq.) is repealed.

16 (i) HOPE PROGRAMS.—

17 (1) REPEAL OF HOPE I PROGRAM.—

18 (A) HOPE I PROGRAM REPEAL.—Title III  
19 of the United States Housing Act of 1937 (42  
20 U.S.C. 1437aaa et seq.) is repealed.

21 (B) CONFORMING AMENDMENTS.—

22 (i) UNITED STATES HOUSING ACT OF  
23 1937.—Section 8(b) of the United States  
24 Housing Act of 1937 (42 U.S.C. 1437f(b))  
25 is amended—

1 (I) in paragraph (1), by striking  
 2 “(1) IN GENERAL.—”; and

3 (II) by striking paragraph (2).

4 (ii) HOUSING AND COMMUNITY DE-  
 5 VELOPMENT ACT OF 1974.—Section 213(e)  
 6 of the Housing and Community Develop-  
 7 ment Act of 1974 (42 U.S.C. 1439(e)) is  
 8 amended by striking “(b)(1)” and insert-  
 9 ing “(b)”.

10 (2) REPEAL OF HOPE II AND III PROGRAMS.—

11 (A) HOPE II.—Subtitle B of title IV of the  
 12 Cranston-Gonzalez National Affordable Hous-  
 13 ing Act (42 U.S.C. 12871 et seq.) is repealed.

14 (B) HOPE III.—

15 (i) IN GENERAL.—Subtitle C of title  
 16 IV of the Cranston-Gonzalez National Af-  
 17 fordable Housing Act (42 U.S.C. 12891 et  
 18 seq.) is repealed.

19 (ii) CLOSEOUT AUTHORITY.—Notwith-  
 20 standing the repeal made by clause (i), the  
 21 Secretary may continue to exercise the au-  
 22 thority under sections 445(b), 445(c)(3),  
 23 445(c)(4), and 446(4) of title IV of the  
 24 Cranston-Gonzalez National Affordable  
 25 Housing Act (as amended by subparagraph

(C) of this paragraph) after the effective date of this Act, to the extent necessary to terminate the programs under subtitle C of title IV of that Act.

(C) AMENDMENT OF HOPE III PROGRAM  
AUTHORITY FOR CLOSEOUT.—

(i) SALE AND RESALE PROCEEDS.—

Section 445 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12895) is amended—

(I) in subsection (b), by striking “costs” and all that follows through “expenses,”;

(II) in subsection (c)(3), by striking “the Secretary or”; and

(III) in subsection (c)(4)—

(aa) in the first sentence, by striking “Fifty percent of any” and inserting “Any”; and

(bb) by striking the second and third sentences.

(ii) ELIGIBILITY OF PRIVATE PROPERTY.—Section 446(4) of the Cranston-Gonzalez National Affordable Housing Act

1           (42 U.S.C. 12896(4)) is amended to read  
2           as follows:

3           “(4) The term ‘eligible property’ means a single  
4           family property containing not more than 4 units  
5           (excluding public housing under the United States  
6           Housing Act of 1937, or Indian housing under the  
7           Native American Housing Assistance and Self-De-  
8           termination Act of 1996).”.

9           (3) CONFORMING AMENDMENTS.—

10           (A) IN GENERAL.—Title IV of the Cran-  
11           ston-Gonzalez National Affordable Housing Act  
12           is amended—

13                   (i) by striking sections 401 and 402  
14                   (42 U.S.C. 1437aaa note; 12870);

15                   (ii) in section 454(b)(2) (42 U.S.C.  
16                   12899c(b)(2)), by striking “to be used for  
17                   the purposes of providing homeownership  
18                   under subtitle B and subtitle C of this  
19                   title”; and

20                   (iii) in section 455 (42 U.S.C.  
21                   12899d), by striking subsection (d) and re-  
22                   designating subsections (e) through (g) as  
23                   subsections (d) through (f), respectively.

24           (B) DEPARTMENT OF HOUSING AND  
25           URBAN DEVELOPMENT ACT.—Section 7(r)(2) of

1           the Department of Housing and Urban Devel-  
 2           opment Act (42 U.S.C. 3535(r)(2)) is  
 3           amended—

4                   (i) in subparagraph (A), by striking  
 5                   “titles I and II” and inserting “title I”;  
 6                   and

7                   (ii) in subparagraph (K), by striking  
 8                   “titles II, III, and IV” and inserting “title  
 9                   II”.

10       (j) ENERGY EFFICIENCY DEMONSTRATION.—Section  
 11   961 of the Cranston-Gonzalez National Affordable Hous-  
 12   ing Act (42 U.S.C. 12712 note) is repealed.

13       (k) TECHNICAL ASSISTANCE AND TRAINING FOR  
 14   IHAs.—Section 917 of the Housing and Community De-  
 15   velopment Act of 1992 (Public Law 102–550; 106 Stat.  
 16   3882) is repealed.

17       (l) ELIMINATION OF INVESTOR-OWNERS UNDER THE  
 18   SECTION 203(k) PROGRAM.—Section 203(g)(2) of the Na-  
 19   tional Housing Act (12 U.S.C. 1709(g)(2)) is amended—

20           (1) in subparagraph (D), by adding “or” at the  
 21       end;

22           (2) by striking subparagraph (E); and

23           (3) by redesignating subparagraph (F) as sub-  
 24       paragraph (E).

1 (m) CERTIFICATE AND VOUCHER ASSISTANCE FOR  
 2 RENTAL REHABILITATION PROJECTS.—Section 8(u) of  
 3 the United States Housing Act of 1937 (42 U.S.C.  
 4 1437f(u)) is repealed.

5 (n) MORTGAGE AND LOAN INSURANCE PROGRAMS.—

6 (1) IN GENERAL.—Sections 220(h), 245(b), and  
 7 titles VI, VII, and IX of the National Housing Act  
 8 are repealed.

9 (2) ADDITIONAL AMENDMENTS.—The National  
 10 Housing Act is amended—

11 (A) in section 1 (12 U.S.C. 1702), by  
 12 striking “VI, VII, VIII, IX” each place it ap-  
 13 pears and inserting “VIII,”;

14 (B) in section 203(k)(5) (12 U.S.C.  
 15 1709(k)(5)), by striking the second sentence;  
 16 and

17 (C) in section 223 (12 U.S.C. 1715n)—

18 (i) by striking subsection (a) and in-  
 19 serting the following:

20 “(a) IN GENERAL.—Notwithstanding any of the pro-  
 21 visions of this Act and without regard to limitations upon  
 22 eligibility contained in any section or title of this Act,  
 23 other than the limitation in section 203(g), the Secretary  
 24 is authorized upon application by the mortgagee, to insure

1 or make commitments to insure under any section or title  
2 of this Act any mortgage—

3 “(1) given to refinance an existing mortgage in-  
4 sured under this Act, except that the principal  
5 amount of any such refinancing mortgage shall not  
6 exceed the original principal amount or the unex-  
7 pired term of such existing mortgage and shall bear  
8 interest at such rate as may be agreed upon by the  
9 mortgagor and the mortgagee, except that—

10 “(A) the principal amount of any such refi-  
11 nancing mortgage may equal the outstanding  
12 balance of an existing mortgage insured pursu-  
13 ant to section 245, if the amount of the month-  
14 ly payment due under the refinancing mortgage  
15 is less than that due under the existing mort-  
16 gage for the month in which the refinancing  
17 mortgage is executed;

18 “(B) a mortgagee may not require a min-  
19 imum principal amount to be outstanding on  
20 the loan secured by the existing mortgage;

21 “(C) in any case involving the refinancing  
22 of a loan in which the Secretary determines  
23 that the insurance of a mortgage for an addi-  
24 tional term will inure to the benefits of the ap-  
25 plicable insurance fund, taking into consider-

1           ation the outstanding insurance liability under  
 2           the existing insured mortgage, such refinancing  
 3           mortgage may have a term not more than  
 4           twelve years in excess of the unexpired term of  
 5           such existing insured mortgage; and

6           “(D) any multifamily mortgage that is re-  
 7           financed under this paragraph shall be docu-  
 8           mented through amendments to the existing in-  
 9           surance contract and shall not be structured  
 10          through the provisions of a new insurance con-  
 11          tract; or

12          “(2) executed in connection with the sale by the  
 13          Government of any housing acquired pursuant to  
 14          section 1013 of the Demonstration Cities and Metro-  
 15          politan Development Act of 1966.”; and

16                 (ii) in subsection (d)(5), by striking  
 17                 “A loan” and all that follows through “and  
 18                 loans” and inserting “Loans”.

19          (o) TRANSITION RULES.—

20                 (1) EFFECT ON CONTRACTS.—The repeal of  
 21          program authorities under this section shall not af-  
 22          fect any legally binding obligation entered into be-  
 23          fore the effective date of this Act.

24                 (2) SAVINGS PROVISIONS.—

1           (A) IN GENERAL.—Except as otherwise  
2           provided in this Act, any funds or obligation  
3           authorized by, activity conducted under, or  
4           mortgage or loan insured under, a provision of  
5           law repealed by this section shall continue to be  
6           governed by the provision as in existence imme-  
7           diately before the effective date of this Act.

8           (B) INSURANCE.—The insurance authori-  
9           ties repealed by subsection (n)(1) and the provi-  
10          sions of the National Housing Act applicable to  
11          a mortgage or loan insured under any of such  
12          authorities, as such authorities and provisions  
13          existed immediately before repeal, shall con-  
14          tinue to apply to a mortgage or loan insured  
15          under any of such authorities prior to repeal,  
16          and a mortgage or loan for which, prior to the  
17          date of repeal, the Secretary has issued a firm  
18          commitment for insurance under any of such  
19          authorities or a Direct Endorsement under-  
20          writer has approved, in a form acceptable to the  
21          Secretary, a mortgage or loan for insurance  
22          under such authorities.

1 **SEC. 103. HUD CONSOLIDATION TASK FORCE.**

2 (a) IN GENERAL.—There is established a task force  
3 to be known as the “HUD Consolidation Task Force”,  
4 which shall—

5 (1) consist of the Comptroller General of the  
6 United States, the Secretary, and the Inspector Gen-  
7 eral of the Department; and

8 (2) conduct an analysis of legislative and regu-  
9 latory options to reduce the number of programs  
10 carried out by the Department through consolida-  
11 tion, elimination, and transfer to other departments  
12 and agencies of the Federal government and to  
13 State and local governments.

14 (b) REPORT.—Not later than 6 months after the ef-  
15 fective date of this Act, the HUD Consolidation Task  
16 Force shall submit to the Committees a report, which shall  
17 include the results of the analysis under subsection (a)(2).

18 **TITLE II—COMMUNITY**  
19 **EMPOWERMENT**

20 **SEC. 201. REAUTHORIZATION OF COMMUNITY DEVELOP-**  
21 **MENT BLOCK GRANTS AND PROHIBITION OF**  
22 **SET-ASIDES.**

23 (a) REAUTHORIZATION.—The last sentence of section  
24 103 of the Housing and Community Development Act of  
25 1974 (42 U.S.C. 5303) is amended to read as follows:  
26 “For purposes of assistance under section 106, there is

1 authorized to be appropriated \$4,850,000,000 for fiscal  
 2 year 2001 and such sums as may be necessary for each  
 3 of fiscal years 2002 through 2005.”.

4 (b) PROHIBITION OF SET-ASIDES.—Section 103 of  
 5 the Housing and Community Development Act of 1974  
 6 (42 U.S.C. 5303) is amended—

7 (1) by inserting “(a) IN GENERAL.—” after  
 8 “SEC. 103.”; and

9 (2) by adding at the end the following:

10 “(b) PROHIBITION OF SET-ASIDES.—Except as pro-  
 11 vided in paragraphs (1) and (2) of section 106(a) and in  
 12 section 107, amounts appropriated pursuant to subsection  
 13 (a) of this section or otherwise to carry out this title (other  
 14 than section 108) shall be used only for formula-based  
 15 grants allocated pursuant to section 106 and may not be  
 16 otherwise used unless the provision of law providing for  
 17 such other use specifically refers to this subsection and  
 18 specifically states that such provision modifies or super-  
 19 sedes the provisions of this subsection.

20 “(c) POINT OF ORDER.—Notwithstanding any other  
 21 provision of law, it shall not be in order in the Senate  
 22 to consider any measure or amendment that provides for  
 23 a set-aside prohibited under subsection (b). The point of  
 24 order provided by this subsection may only be waived or

1 suspended by a vote of three-fifths of the members of the  
 2 Senate duly chosen and sworn.”.

3 **SEC. 202. COMMUNITY NOTIFICATION OF OPT-OUTS.**

4 Section 8(c)(8)(A) of the Housing Act of 1937 (42  
 5 U.S.C. 1437f(c)(8)(A)) is amended by adding at the end  
 6 the following: “Upon receipt of a written notice under this  
 7 subparagraph, the Secretary shall forward a copy of the  
 8 notice to the top elected official for the unit of local gov-  
 9 ernment in which the property is located.”.

10 **SEC. 203. URBAN HOMESTEAD REQUIREMENT.**

11 (a) DISPOSITION OF UNOCCUPIED AND SUB-  
 12 STANDARD PUBLIC HOUSING.—

13 (1) PUBLICATION IN FEDERAL REGISTER.—

14 (A) IN GENERAL.—Subject to subpara-  
 15 graph (B), beginning 6 months after the effec-  
 16 tive date of this Act, and every 6 months there-  
 17 after, the Secretary shall publish in the Federal  
 18 Register a list of each unoccupied multifamily  
 19 housing project, substandard multifamily hous-  
 20 ing project, and other residential property that  
 21 is owned by the Secretary.

22 (B) EXCEPTION FOR CERTAIN PROJECTS  
 23 AND PROPERTIES.—

24 (i) PROJECTS.—A project described in  
 25 subparagraph (A) shall not be included in

a list published under subparagraph (A) if less than 6 months have elapsed since the later of—

(I) the date on which the project was acquired by the Secretary; or

(II) the date on which the project was determined to be unoccupied or substandard.

(ii) PROPERTIES.—A property described in subparagraph (A) shall not be included in a list published under subparagraph (A) if less than 6 months have elapsed since the date on which the property was acquired by the Secretary.

(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is amended—

(1) by striking “FLEXIBLE AUTHORITY.—” and inserting the following: “(a) FLEXIBLE AUTHORITY FOR DISPOSITION OF MULTIFAMILY PROJECTS.—”; and

1 (2) by adding at the end the following:

2 “(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD  
3 HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY  
4 DEVELOPMENT CORPORATIONS.—

5 “(1) DEFINITIONS.—In this subsection:

6 “(A) COMMUNITY DEVELOPMENT COR-  
7 PORATION.—The term ‘community development  
8 corporation’ means a nonprofit organization  
9 whose primary purpose is to promote commu-  
10 nity development by providing housing opportu-  
11 nities for low-income families.

12 “(B) COST RECOVERY BASIS.—The term  
13 ‘cost recovery basis’ means, with respect to any  
14 sale of a residential property by the Secretary,  
15 that the purchase price paid by the purchaser  
16 is equal to or greater than or equal to the costs  
17 incurred by the Secretary in connection with  
18 such property during the period beginning on  
19 the date on which the Secretary acquires title to  
20 the property and ending on the date on which  
21 the sale is consummated.

22 “(C) MULTIFAMILY HOUSING PROJECT.—  
23 The term ‘multifamily housing project’ has the  
24 meaning given the term in section 203 of the

1           Housing and Community Development Amend-  
2           ments of 1978.

3           “(D) QUALIFIED HUD PROPERTY.—The  
4           term ‘qualified HUD property’ means any prop-  
5           erty that is owned by the Secretary and is—

6                   “(i) an unoccupied multifamily hous-  
7                   ing project;

8                   “(ii) a substandard multifamily hous-  
9                   ing project; or

10                  “(iii) an unoccupied single family  
11                  property that—

12                           “(I) has been determined by the  
13                           Secretary not to be an eligible prop-  
14                           erty under section 204(h) of the Na-  
15                           tional Housing Act (12 U.S.C.  
16                           1710(h)); or

17                           “(II) is an eligible property  
18                           under such section 204(h), but—

19                                   “(aa) is not subject to a spe-  
20                                   cific sale agreement under such  
21                                   section; and

22                                   “(bb) has been determined  
23                                   by the Secretary to be inappro-  
24                                   priate for continued inclusion in  
25                                   the program under such section

1                               204(h) pursuant to paragraph  
2                               (10) of such section.

3                               “(E) RESIDENTIAL PROPERTY.—The term  
4                               ‘residential property’ means a property that is  
5                               a multifamily housing project or a single family  
6                               property.

7                               “(F) SECRETARY.—The term ‘Secretary’  
8                               means the Secretary of Housing and Urban De-  
9                               velopment.

10                              “(G) SEVERE PHYSICAL PROBLEMS.—The  
11                              term ‘severe physical problems’ means, with re-  
12                              spect to a dwelling unit, that the unit—

13                              “(i) lacks hot or cold piped water, a  
14                              flush toilet, or both a bathtub and a show-  
15                              er in the unit, for the exclusive use of that  
16                              unit;

17                              “(ii) on not less than 3 separate occa-  
18                              sions during the preceding winter months,  
19                              was uncomfortably cold for a period of  
20                              more than 6 consecutive hours due to a  
21                              malfunction of the heating system for the  
22                              unit;

23                              “(iii) has no functioning electrical  
24                              service, exposed wiring, any room in which  
25                              there is not a functioning electrical outlet,

1 or has experienced 3 or more blown fuses  
 2 or tripped circuit breakers during the pre-  
 3 ceding 90-day period;

4 “(iv) is accessible through a public  
 5 hallway in which there are no working  
 6 light fixtures, loose or missing steps or  
 7 railings, and no elevator; or

8 “(v) has severe maintenance problems,  
 9 including water leaks involving the roof,  
 10 windows, doors, basement, or pipes or  
 11 plumbing fixtures, holes or open cracks in  
 12 walls or ceilings, severe paint peeling or  
 13 broken plaster, and signs of rodent infesta-  
 14 tion.

15 “(H) SINGLE FAMILY PROPERTY.—The  
 16 term ‘single family property’ means a 1- to 4-  
 17 family residence.

18 “(I) SUBSTANDARD.—The term ‘sub-  
 19 standard’ means, with respect to a multifamily  
 20 housing project, that 25 percent or more of the  
 21 dwelling units in the project have severe phys-  
 22 ical problems.

23 “(J) UNIT OF GENERAL LOCAL GOVERN-  
 24 MENT.—The term ‘unit of general local govern-  
 25 ment’ has the meaning given that term in sec-

tion 102(a) of the Housing and Community Development Act of 1974.

“(K) UNOCCUPIED.—The term ‘unoccupied’ means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

“(2) TRANSFER AUTHORITY.—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the Secretary of Housing and Urban Development shall transfer ownership of any qualified HUD property included in the most recent list published by the Secretary under subsection (a) to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only to the extent that units of general local government and community development corporations submit a written request for the transfer.

“(3) TIMING.—The Secretary shall establish procedures that provide for—

1           “(A) time deadlines for transfers under  
2 this subsection;

3           “(B) notification to units of general local  
4 government and community development cor-  
5 porations of qualified HUD properties in their  
6 jurisdictions;

7           “(C) such units and corporations to ex-  
8 press interest in the transfer under this sub-  
9 section of such properties;

10           “(D) a right of first refusal for transfer of  
11 qualified HUD properties to such units and cor-  
12 porations, under which the Secretary shall ac-  
13 cept an offer to purchase such a property made  
14 by such unit or corporation during a period es-  
15 tablished by the Secretary, but in the case of an  
16 offer made by a community development cor-  
17 poration only if the offer provides for purchase  
18 on a cost recovery basis; and

19           “(E) a written explanation, to any unit of  
20 general local government or community develop-  
21 ment corporation making an offer to purchase  
22 a qualified HUD property under this subsection  
23 that is not accepted, of the reason that such  
24 offer was not acceptable.

1           “(4) OTHER DISPOSITION.—With respect to  
 2           any qualified HUD property, if the Secretary does  
 3           not receive an acceptable offer to purchase the prop-  
 4           erty pursuant to the procedure established under  
 5           paragraph (3), the Secretary shall dispose of the  
 6           property to the unit of general local government in  
 7           which property is located or to community develop-  
 8           ment corporations located in such unit of general  
 9           local government on a negotiated, competitive bid, or  
 10          other basis, on such terms as the Secretary deems  
 11          appropriate.

12          “(5) SATISFACTION OF INDEBTEDNESS.—Be-  
 13          fore transferring ownership of any qualified HUD  
 14          property pursuant to this subsection, the Secretary  
 15          shall satisfy any indebtedness incurred in connection  
 16          with the property to be transferred, by canceling the  
 17          indebtedness.

18          “(6) DETERMINATION OF STATUS OF PROP-  
 19          ERTIES.—To ensure compliance with the require-  
 20          ments of this subsection, the Secretary shall take the  
 21          following actions:

22                 “(A) UPON ENACTMENT.—Not later than  
 23                 60 days after the effective date of the Local  
 24                 Housing Opportunities Act, the Secretary shall  
 25                 assess each residential property owned by the

1 Secretary to determine whether the property is  
2 a qualified HUD property.

3 “(B) UPON ACQUISITION.—Upon acquiring  
4 any residential property, the Secretary shall  
5 promptly determine whether the property is a  
6 qualified HUD property.

7 “(C) UPDATES.—The Secretary shall peri-  
8 odically reassess the residential properties  
9 owned by the Secretary to determine whether  
10 any such properties have become qualified  
11 HUD properties.

12 “(7) TENANT LEASES.—This subsection shall  
13 not affect the terms or the enforceability of any con-  
14 tract or lease entered into with respect to any resi-  
15 dential property before the date that such property  
16 becomes a qualified HUD property.

17 “(8) USE OF PROPERTY.—Property transferred  
18 under this subsection shall be used only for appro-  
19 priate neighborhood revitalization efforts, including  
20 homeownership, rental units, commercial space, and  
21 parks, consistent with local zoning regulations, local  
22 building codes, and subdivision regulations and re-  
23 strictions of record.

24 “(9) INAPPLICABILITY TO PROPERTIES MADE  
25 AVAILABLE FOR HOMELESS.—Notwithstanding any

1       other provision of this subsection, this subsection  
 2       shall not apply to any property that the Secretary  
 3       determines is to be made available for use by the  
 4       homeless pursuant to subpart E of part 291 of title  
 5       24, Code of Federal Regulations (as in effect on  
 6       January 1, 2000), during the period that the prop-  
 7       erties are so available.

8               “(10) PROTECTION OF EXISTING CONTRACTS.—  
 9       This subsection may not be construed to alter, af-  
 10      fect, or annul any legally binding obligations entered  
 11      into with respect to a qualified HUD property before  
 12      the property becomes a qualified HUD property.”.

13      (c) PROCEDURES.—Not later than 6 months after the  
 14      date of enactment of this Act, the Secretary shall estab-  
 15      lish, by rule, regulation, or order, such procedures as may  
 16      be necessary to carry out this section and the amendments  
 17      made by this section.

18   **SEC. 204. AUTHORIZATION OF MOVING TO WORK PRO-**  
 19               **GRAM.**

20      Section 204 of the Departments of Veterans Affairs  
 21      and Housing and Urban Development, and Independent  
 22      Agencies Appropriations Act, 1996 (as contained in sec-  
 23      tion 101(e) of the Omnibus Consolidated Rescissions and  
 24      Appropriations Act of 1996) (42 U.S.C. 1437f note) is  
 25      amended—

1 (1) in the section heading, by striking “DEM-  
2 ONSTRATION” and inserting “PROGRAM”;

3 (2) in subsection (a), by striking “this dem-  
4 onstration” and inserting “this section”;

5 (3) in subsection (b)—

6 (A) in the first sentence—

7 (i) by striking “demonstration”; and

8 (ii) by striking “up to 30”;

9 (B) in the third sentence, by striking  
10 “Under the demonstration, notwithstanding”  
11 and inserting “Notwithstanding”; and

12 (C) by striking the second sentence;

13 (4) in subsection (c)—

14 (A) in the matter preceding paragraph (1),  
15 by striking “demonstration” and inserting “pro-  
16 gram under this section”;

17 (B) in paragraph (3)—

18 (i) in subparagraph (A), by striking  
19 “demonstration”;

20 (ii) in subparagraph (B), by striking  
21 “demonstration” and inserting “section”;

22 and

23 (iii) in subparagraph (E), by striking  
24 “demonstration program” and inserting

25 “program under this section”; and

1 (C) in paragraph (4), by striking “dem-  
 2 onstration” and inserting “program under this  
 3 section”;

4 (5) by striking subsection (d) and inserting the  
 5 following:

6 “(d) APPROVAL OF APPLICATIONS.—Not later than  
 7 60 days after receiving an application submitted in accord-  
 8 ance with subsection (c), the Secretary shall approve the  
 9 application, unless the Secretary makes a written deter-  
 10 mination that the applicant has a most recent score under  
 11 the public housing management assessment program  
 12 under section 6(j)(2) of the United States Housing Act  
 13 of 1937 (or any successor assessment program for public  
 14 housing agencies), that is among the lowest 20 percent  
 15 of the scores of all public housing agencies.”;

16 (6) in subsection (e)—

17 (A) in paragraph (1), by striking “this  
 18 demonstration” and inserting “the program  
 19 under this section”; and

20 (B) in paragraph (2), by striking “dem-  
 21 onstration” and inserting “program under this  
 22 section”;

23 (7) in subsection (f), by striking “demonstra-  
 24 tion under this part” and inserting “program under  
 25 this section”;

1 (8) in subsection (g)—

2 (A) in paragraph (1), by striking “this  
3 demonstration” and inserting “the program  
4 under this section”; and

5 (B) in paragraph (2), by striking “dem-  
6 onstration” and inserting “program under this  
7 section”;

8 (9) in subsection (h), by striking “demonstra-  
9 tion” each place it appears and inserting “program  
10 under this section”;

11 (10) in subsection (i), by striking “demonstra-  
12 tion” and inserting “program under this section”;  
13 and

14 (11) in subsection (j), by striking “demonstra-  
15 tion” and inserting “program”.

16 **TITLE III—HOMELESS**  
17 **ASSISTANCE REFORM**

18 **SEC. 301. CONSOLIDATION OF HUD HOMELESS ASSISTANCE**  
19 **FUNDS.**

20 The purposes of this title are to facilitate the effective  
21 and efficient management of the homeless assistance pro-  
22 grams of the Department by—

23 (1) reducing and preventing homelessness by  
24 supporting the creation and maintenance of commu-

1 nity-based, comprehensive systems dedicated to re-  
2 turning families and individuals to self-sufficiency;

3 (2) reorganizing the homeless housing assist-  
4 ance authorities under the Stewart B. McKinney  
5 Homeless Assistance Act into a McKinney Homeless  
6 Assistance Performance Fund;

7 (3) assisting States and local governments, in  
8 partnership with private nonprofit service providers,  
9 to use homeless funding more efficiently and effec-  
10 tively;

11 (4) simplifying and making more flexible the  
12 provision of Federal homeless assistance;

13 (5) maximizing the ability of a community to  
14 implement a coordinated, comprehensive system for  
15 providing assistance to homeless families and indi-  
16 viduals;

17 (6) making more efficient and equitable the  
18 manner in which homeless assistance is distributed;

19 (7) reducing the Federal role in local decision-  
20 making for homeless assistance programs;

21 (8) reducing the costs to governmental jurisdic-  
22 tions and private nonprofit organizations in applying  
23 for and using assistance; and

24 (9) advancing the goal of meeting the needs of  
25 the homeless population through mainstream pro-

1       grams and establishing continuum of care systems  
 2       necessary to achieve that goal.

3   **SEC. 302. ESTABLISHMENT OF THE MCKINNEY HOMELESS**  
 4       **ASSISTANCE PERFORMANCE FUND.**

5       Title IV of the Stewart B. McKinney Homeless As-  
 6   sistance Act (42 U.S.C. 11361 et seq.) is amended to read  
 7   as follows:

8   **“TITLE IV—MCKINNEY HOME-**  
 9       **LESS ASSISTANCE PERFORM-**  
 10      **ANCE FUND**

11   **“SEC. 401. DEFINITIONS.**

12       “In this title:

13           “(1) ALLOCATION UNIT OF GENERAL LOCAL  
 14       GOVERNMENT.—

15           “(A) IN GENERAL.—The term ‘allocation  
 16       unit of general local government’ means a met-  
 17       ropolitan city or an urban county.

18           “(B) CONSORTIA.—The term ‘allocation  
 19       unit of general local government’ may include a  
 20       consortium of geographically contiguous metro-  
 21       politan cities and urban counties, if the Sec-  
 22       retary determines that the consortium—

23           “(i) has sufficient authority and ad-  
 24       ministrative capability to carry out the

1 purposes of this title on behalf of its mem-  
 2 ber jurisdictions; and

3 “(ii) will, according to a written cer-  
 4 tification by the State (or States, if the  
 5 consortium includes jurisdictions in more  
 6 than 1 State), direct its activities to the  
 7 implementation of a continuum of care sys-  
 8 tem within the State or States.

9 “(2) APPLICANT.—The term ‘applicant’ means  
 10 a grantee submitting an application under section  
 11 403.

12 “(3) CONSOLIDATED PLAN.—The term ‘consoli-  
 13 dated plan’ means the single comprehensive plan  
 14 that the Secretary prescribes for submission by ju-  
 15 risdictions (which shall be coordinated and con-  
 16 sistent with any 5-year comprehensive plan of the  
 17 public housing agency required under section 14(e)  
 18 of the United States Housing Act of 1937) that con-  
 19 solidates and fulfills the requirements of—

20 “(A) the comprehensive housing afford-  
 21 ability strategy under title I of the Cranston-  
 22 Gonzalez National Affordable Housing Act;

23 “(B) the community development plan  
 24 under section 104 of the Housing and Commu-  
 25 nity Development Act of 1974; and

1 “(C) the submission requirements for for-  
 2 mula funding under—

3 “(i) the Community Development  
 4 Block Grant program (authorized by title I  
 5 of the Housing and Community Develop-  
 6 ment Act of 1974);

7 “(ii) the HOME program (authorized  
 8 by title II of the Cranston-Gonzalez Na-  
 9 tional Affordable Housing Act);

10 “(iii) the McKinney Homeless Assist-  
 11 ance Performance Fund (authorized under  
 12 this title); and

13 “(iv) the AIDS Housing Opportunity  
 14 Act (authorized by subtitle D of title VIII  
 15 of the Cranston-Gonzalez National Afford-  
 16 able Housing Act).

17 “(4) CONTINUUM OF CARE SYSTEM.—The term  
 18 ‘continuum of care system’ means a system devel-  
 19 oped by a State or local homeless assistance board  
 20 that includes—

21 “(A) a system of outreach and assessment,  
 22 including drop-in centers, 24-hour hotlines,  
 23 counselors, and other activities designed to en-  
 24 gage homeless individuals and families, bring  
 25 them into the continuum of care system, and

1 determine their individual housing and service  
2 needs;

3 “(B) emergency shelters with essential  
4 services to ensure that homeless individuals and  
5 families receive shelter;

6 “(C) transitional housing with appropriate  
7 supportive services to help ensure that homeless  
8 individuals and families are prepared to make  
9 the transition to increased responsibility and  
10 permanent housing;

11 “(D) permanent housing, or permanent  
12 supportive housing, to help meet the long-term  
13 housing needs of homeless individuals and fami-  
14 lies;

15 “(E) coordination between assistance pro-  
16 vided under this title and assistance provided  
17 under other Federal, State, and local programs  
18 that may be used to assist homeless individuals  
19 and families, including both targeted homeless  
20 assistance programs and other programs ad-  
21 ministered by the Departments of Veterans Af-  
22 fairs, Labor, Health and Human Services, and  
23 Education; and

24 “(F) a system of referrals for subpopula-  
25 tions of the homeless (such as homeless vet-

erans, families with children, battered spouses, persons with mental illness, persons who have chronic problems with alcohol, drugs, or both, persons with other chronic health problems, and persons who have acquired immunodeficiency syndrome and related diseases) to the appropriate agencies, programs, or services (including health care, job training, and income support) necessary to meet their needs.

“(5) GRANTEE.—The term ‘grantee’ means—

“(A) an allocation unit of general local government or insular area that administers a grant under section 408(b)(1); or

“(B) an allocation unit of general local government or insular area that designates a public agency or a private nonprofit organization (or a combination of such organizations) to administer grant amounts under section 408(b)(2).

“(6) HOMELESS INDIVIDUAL.—The term ‘homeless individual’ has the same meaning as in section 103 of this Act.

“(7) INSULAR AREA.—The term ‘insular area’ means the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

1           “(8) LOW-DEMAND SERVICES AND REFER-  
 2           RALS.—The term ‘low-demand services and referrals’  
 3           means the provision of health care, mental health,  
 4           substance abuse, and other supportive services and  
 5           referrals for services in a noncoercive manner, which  
 6           may include medication management, education,  
 7           counseling, job training, and assistance in obtaining  
 8           entitlement benefits and in obtaining other sup-  
 9           portive services, including mental health and sub-  
 10          stance abuse treatment.

11          “(9) METROPOLITAN CITY.—The term ‘metro-  
 12          politan city’ has the same meaning as in section  
 13          102(a) of the Housing and Community Development  
 14          Act of 1974.

15          “(10) PERSON WITH DISABILITIES.—The term  
 16          ‘person with disabilities’ means a person who—

17               “(A) has a disability as defined in section  
 18               223 of the Social Security Act;

19               “(B) is determined to have, as determined  
 20               by the Secretary, a physical, mental, or emo-  
 21               tional impairment which—

22                   “(i) is expected to be of long-contin-  
 23                   ued and indefinite duration;

24                   “(ii) substantially impedes his or her  
 25                   ability to live independently; and

1                   “(iii) is of such a nature that such  
2                   ability could be improved by more suitable  
3                   housing conditions;

4                   “(C) has a developmental disability, as de-  
5                   fined in section 102 of the Developmental Dis-  
6                   abilities Assistance and Bill of Rights Act; or

7                   “(D) has the disease of acquired immuno-  
8                   deficiency syndrome or any conditions arising  
9                   from the etiologic agent for acquired immuno-  
10                  deficiency syndrome, except that this subpara-  
11                  graph shall not be construed to limit eligibility  
12                  under subparagraphs (A) through (C) or the  
13                  provisions referred to in subparagraphs (A)  
14                  through (C).

15                  “(11) PRIVATE NONPROFIT ORGANIZATION.—  
16                  The term ‘private nonprofit organization’ means a  
17                  private organization—

18                   “(A) no part of the net earnings of which  
19                   inures to benefits of any member, founder, con-  
20                   tributor, or individual;

21                   “(B) that has a voluntary board;

22                   “(C) that has an accounting system, or has  
23                   designated a fiscal agent in accordance with re-  
24                   quirements established by the Secretary; and

1           “(D) that practices nondiscrimination in  
2           the provision of assistance.

3           “(12) PROJECT SPONSOR.—The term ‘project  
4           sponsor’ means an entity that—

5                 “(A) provides housing or assistance for  
6                 homeless individuals or families by carrying out  
7                 activities under this title; and

8                 “(B) meets such minimum standards as  
9                 the Secretary considers appropriate.

10           “(13) RECIPIENT.—The term ‘recipient’ means  
11           a grantee (other than a State when it is distributing  
12           grant amounts to State recipients) and a State re-  
13           cipient.

14           “(14) SECRETARY.—The term ‘Secretary’  
15           means the Secretary of Housing and Urban Develop-  
16           ment.

17           “(15) STATE.—The term ‘State’ means each of  
18           the several States and the Commonwealth of Puerto  
19           Rico. The term includes an agency or instrumen-  
20           tality of a State that is established pursuant to legis-  
21           lation and designated by the chief executive officer  
22           to act on behalf of the jurisdiction with regard to  
23           provisions of this title.

1           “(16) STATE RECIPIENT.—The term ‘State re-  
2           cipient’ means the following entities receiving  
3           amounts from the State under section 408(c)(2)(B):

4                   “(A) A unit of general local government  
5                   within the State.

6                   “(B) In the case of an area of the State  
7                   with significant homeless needs, if no State re-  
8                   cipient is identified, 1 or more private nonprofit  
9                   organizations serving that area.

10           “(17) UNIT OF GENERAL LOCAL GOVERN-  
11           MENT.—The term ‘unit of general local government’  
12           means—

13                   “(A) a city, town, township, county, parish,  
14                   village, or other general purpose political sub-  
15                   division of a State;

16                   “(B) the District of Columbia; and

17                   “(C) any agency or instrumentality thereof  
18                   that is established pursuant to legislation and  
19                   designated by the chief executive officer to act  
20                   on behalf of the jurisdiction with regard to pro-  
21                   visions of this title.

22           “(18) URBAN COUNTY.—The term ‘urban coun-  
23           ty’ has the same meaning as in section 102(a) of the  
24           Housing and Community Development Act of 1974.

1           “(19) VERY LOW-INCOME FAMILIES.—The term  
 2           ‘very low-income families’ has the same meaning as  
 3           in section 104 of the Cranston-Gonzalez National  
 4           Affordable Housing Act.

5   **“SEC. 402. AUTHORIZATIONS.**

6           “(a) IN GENERAL.—The Secretary may make grants  
 7           to carry out activities to assist homeless individuals and  
 8           families in support of continuum of care systems in ac-  
 9           cordance with this title.

10          “(b) FUNDING AMOUNTS.—There are authorized to  
 11          be appropriated to carry out this title, to remain available  
 12          until expended—

13                 “(1) \$1,050,000,000 for fiscal year 2001;

14                 “(2) \$1,070,000,000 for fiscal year 2002; and

15                 “(3) \$1,090,000,000 for fiscal year 2003.

16   **“SEC. 403. APPLICATION.**

17          “(a) IN GENERAL.—Each applicant shall submit the  
 18          application required under this section in such form and  
 19          in accordance with such procedures as the Secretary shall  
 20          prescribe. If the applicant is a State or unit of general  
 21          local government, the application shall be submitted as  
 22          part of the homeless assistance component of the consoli-  
 23          dated plan.

24          “(b) CONTINUUM OF CARE SUBMISSION.—

1           “(1) IN GENERAL.—The allocation unit of gen-  
 2           eral local government, insular area, or State shall  
 3           prepare, and submit those portions of the application  
 4           related to the development and implementation of  
 5           the continuum of care system, as described in para-  
 6           graph (2) or (3), as applicable.

7           “(2) SUBMISSION BY ALLOCATION UNIT OF  
 8           GENERAL LOCAL GOVERNMENT OR INSULAR AREA.—  
 9           The allocation unit of general local government or  
 10          insular area shall develop and submit to the  
 11          Secretary—

12                 “(A) a continuum of care system con-  
 13                 sistent with that defined under section 401(4),  
 14                 which shall be designed to incorporate any  
 15                 strengths and fill any gaps in the current home-  
 16                 less assistance activities of the jurisdiction, and  
 17                 shall include a description of efforts to address  
 18                 the problems faced by each of the different sub-  
 19                 populations of homeless individuals;

20                 “(B) a multiyear strategy for imple-  
 21                 menting the continuum of care system, includ-  
 22                 ing appropriate timetables and budget estimates  
 23                 for accomplishing each element of the strategy;

24                 “(C) a 1-year plan, identifying all activities  
 25                 to be carried out with assistance under this title

1 and with assistance from other HUD resources  
2 allocated in accordance with the consolidated  
3 plan, and describing the manner in which these  
4 activities will further the strategy; and

5 “(D) any specific performance measures  
6 and benchmarks for use in assessing the per-  
7 formance of the grantee under this title that  
8 are in addition to national performance meas-  
9 ures and benchmarks established by the Sec-  
10 retary.

11 “(3) SUBMISSION BY STATE.—The State shall  
12 develop and submit to the Secretary—

13 “(A) a continuum of care system con-  
14 sistent with that defined under section 401(4),  
15 which shall be designed to incorporate any  
16 strengths and fill any gaps in the current home-  
17 less assistance activities of the jurisdiction, and  
18 shall include a description of efforts to address  
19 the problems faced by each of the different sub-  
20 populations of homeless individuals;

21 “(B) a multiyear strategy for imple-  
22 menting the continuum of care systems in areas  
23 of the State outside allocation units of general  
24 local government, including the actions the

1 State will take to achieve the goals set out in  
2 the strategy;

3 “(C) a 1-year plan identifying—

4 “(i) in the case of a State carrying  
5 out its own activities under section  
6 408(c)(2)(A), the activities to be carried  
7 out with assistance under this title and de-  
8 scribing the manner in which these activi-  
9 ties will further the strategy; and

10 “(ii) in the case of a State distrib-  
11 uting grant amounts to State recipients  
12 under section 408(c)(2)(B), the criteria  
13 that the State will use in distributing  
14 amounts awarded under this title, the  
15 method of distribution, and the relation-  
16 ship of the method of distribution to the  
17 homeless assistance strategy; and

18 “(D) any specific performance measures  
19 and benchmarks for use in assessing the per-  
20 formance of the grantee under this title that  
21 are in addition to national performance meas-  
22 ures and benchmarks established by the Sec-  
23 retary.

1       “(c) SUBMISSION REQUIREMENTS FOR APPLICANTS

2 OTHER THAN STATES.—Each application from an appli-

3 cant other than a State shall include, at a minimum—

4           “(1) the continuum of care submission de-  
5 scribed in subsection (b)(2);

6           “(2) a determination on whether the assistance  
7 under this title will be administered by the jurisdic-  
8 tion, a public agency or private nonprofit organiza-  
9 tion, or the State, as appropriate under subsections  
10 (b) and (c) of section 408;

11           “(3) certifications or other such forms of proof  
12 of commitments of financial and other resources suf-  
13 ficient to comply with the match requirements under  
14 section 405(a)(1);

15           “(4) a certification that the applicant is fol-  
16 lowing a current approved consolidated plan;

17           “(5) a certification that the grant will be con-  
18 ducted and administered in conformity with title VI  
19 of the Civil Rights Act of 1964, section 504 of the  
20 Rehabilitation Act of 1973, and the Fair Housing  
21 Act, and the grantee will affirmatively further fair  
22 housing; and

23           “(6) a certification that the applicant will com-  
24 ply with the requirements of this title and other ap-  
25 plicable laws.

1       “(d) SUBMISSION REQUIREMENTS FOR STATES.—

2   Each application from a State shall include—

3               “(1) the continuum of care submission de-  
4       scribed in subsection (b)(3);

5               “(2) certifications or other such forms of proof  
6       of commitments of financial and other resources suf-  
7       ficient to comply with the match requirements under  
8       section 405(a)(1);

9               “(3) a certification that the applicant is fol-  
10      lowing a current approved consolidated plan;

11              “(4) a certification that the grant will be con-  
12      ducted and administered in conformity with title VI  
13      of the Civil Rights Act of 1964, section 504 of the  
14      Rehabilitation Act of 1973, and the Fair Housing  
15      Act, and the grantee will affirmatively further fair  
16      housing; and

17              “(5) a certification that the State and State re-  
18      cipients will comply with the requirements of this  
19      title and other applicable laws.

20       “(e) APPLICATION APPROVAL.—The application shall  
21   be approved by the Secretary unless the Secretary deter-  
22   mines that the application is substantially incomplete.

1 **“SEC. 404. ELIGIBLE PROJECTS AND ACTIVITIES; CON-**  
 2 **TINUUM OF CARE APPROVAL.**

3 “(a) **ELIGIBLE PROJECTS.**—Grants under this title  
 4 may be used to carry out activities described in subsection  
 5 (b) in support of the following types of projects:

6 “(1) **EMERGENCY ASSISTANCE.**—Assistance de-  
 7 signed to prevent homelessness or to meet the emer-  
 8 gency needs of homeless individuals and families, in-  
 9 cluding 1 or more of the following:

10 “(A) **PREVENTION.**—Efforts to prevent  
 11 homelessness of a very low-income individual or  
 12 family that has received an eviction notice, no-  
 13 tice of mortgage foreclosure, or notice of termi-  
 14 nation of utilities, if—

15 “(i) the individual or family cannot  
 16 make the required payments due to a sud-  
 17 den reduction in income or other financial  
 18 emergency; and

19 “(ii) the assistance is necessary to  
 20 avoid imminent eviction, foreclosure, or  
 21 termination of services.

22 “(B) **OUTREACH AND ASSESSMENT.**—Ef-  
 23 forts designed to inform individuals and fami-  
 24 lies about the availability of services, to bring  
 25 them into the continuum of care system, and to

1 determine which services or housing are appro-  
 2 priate to the needs of the individual or family.

3 “(C) EMERGENCY SHELTER.—The provi-  
 4 sion of short-term emergency shelter with es-  
 5 sential supportive services for homeless individ-  
 6 uals and families.

7 “(2) SAFE HAVEN HOUSING.—A structure or a  
 8 clearly identifiable portion of a structure that—

9 “(A) provides housing and low-demand  
 10 services and referrals for homeless individuals  
 11 with serious mental illness—

12 “(i) who are currently residing pri-  
 13 marily in places not designed for, or ordi-  
 14 narily used as, a regular sleeping accom-  
 15 modation for human beings; and

16 “(ii) who have been unwilling or un-  
 17 able to participate in mental health or sub-  
 18 stance abuse treatment programs or to re-  
 19 ceive other supportive services; except that  
 20 a person whose sole impairment is sub-  
 21 stance abuse shall not be considered an eli-  
 22 gible person;

23 “(B) provides 24-hour residence for eligible  
 24 individuals who may reside for an unspecified  
 25 duration;

1           “(C) provides private or semiprivate ac-  
2 commodations;

3           “(D) may provide for the common use of  
4 kitchen facilities, dining rooms, and bathrooms;

5           “(E) may provide supportive services to el-  
6 igible persons who are not residents on a drop-  
7 in basis;

8           “(F) provides occupancy limited to not  
9 more than 25 persons; and

10          “(G) provides housing for victims of spous-  
11 al abuse, and their dependents.

12          “(3) TRANSITIONAL HOUSING.—Housing and  
13 appropriate supportive services that are designed to  
14 facilitate the movement of homeless individuals to  
15 permanent housing, generally within 24 months.

16          “(4) PERMANENT HOUSING AND PERMANENT  
17 HOUSING AND SUPPORTIVE SERVICES FOR PERSONS  
18 WITH DISABILITIES.—Permanent housing for home-  
19 less individuals, and permanent housing and sup-  
20 portive services for homeless persons with disabil-  
21 ities, the latter of which may be designed to provide  
22 housing and services solely for persons with disabil-  
23 ities, or may provide housing for such persons in a  
24 multifamily housing, condominium, or cooperative  
25 project.

1           “(5) SINGLE ROOM OCCUPANCY HOUSING.—A  
2           unit for occupancy by 1 person, which need not (but  
3           may) contain food preparation or sanitary facilities,  
4           or both, and may provide services such as mental  
5           health services, substance abuse treatment, job  
6           training, and employment programs.

7           “(6) OTHER PROJECTS.—Such other projects  
8           as the Secretary determines will further the pur-  
9           poses of title I of the Homelessness Assistance and  
10          Management Reform Act of 1997.

11          “(b) ELIGIBLE ACTIVITIES.—Grants under this title  
12          may be used to carry out the following activities in support  
13          of projects described in subsection (a):

14               “(1) HOMELESSNESS PREVENTION ACTIVI-  
15               TIES.—Short-term mortgage, rental, and utilities  
16               payments and other short-term assistance designed  
17               to prevent the imminent homelessness of the individ-  
18               uals and families described in subsection (a)(1)(A).

19               “(2) OUTREACH AND ASSESSMENT.—Drop-in  
20               centers, 24-hour hotlines, counselors, and other ac-  
21               tivities designed to engage homeless individuals and  
22               families, bring them into the continuum of care sys-  
23               tem, and determine their individual housing and  
24               service needs.

1           “(3) ACQUISITION AND REHABILITATION.—The  
2           acquisition, rehabilitation, or acquisition and reha-  
3           bilitation of real property.

4           “(4) NEW CONSTRUCTION.—The new construc-  
5           tion of a project, including the cost of the site.

6           “(5) OPERATING COSTS.—The costs of oper-  
7           ating a project, including salaries and benefits,  
8           maintenance, insurance, utilities, replacement re-  
9           serve accounts, and furnishings.

10          “(6) LEASING.—Leasing of an existing struc-  
11          ture or structures, or units within these structures,  
12          including the provision of long-term rental assistance  
13          contracts.

14          “(7) TENANT ASSISTANCE.—The provision of  
15          security or utility deposits, rent, or utility payments  
16          for the first month of residence at a new location,  
17          and relocation assistance.

18          “(8) SUPPORTIVE SERVICES.—The provision of  
19          essential supportive services including case manage-  
20          ment, housing counseling, job training and place-  
21          ment, primary health care, mental health services,  
22          substance abuse treatment, child care, transpor-  
23          tation, emergency food and clothing, family violence  
24          services, education services, moving services, assist-

1       ance in obtaining entitlement benefits, and referral  
2       to veterans services and referral to legal services.

3       “(9) ADMINISTRATION.—

4               “(A) IN GENERAL.—Expenses incurred  
5       in—

6                       “(i) planning, developing, and estab-  
7                       lishing a program under this title; and

8                       “(ii) administering the program.

9       “(B) LIMITATIONS.—Not more than the  
10       following amounts may be used for administra-  
11       tive costs under subparagraph (A):

12                      “(i) 10 percent of any grant amounts  
13                      provided for a recipient for a fiscal year  
14                      (including amounts used by a State to  
15                      carry out its own activities under section  
16                      408(c)(1)(A)).

17                      “(ii) 5 percent of any grant amounts  
18                      provided to a State for a fiscal year that  
19                      the State uses to distribute funds to a  
20                      State recipient under section 408(c)(1)(B).

21       “(10) CAPACITY BUILDING.—

22               “(A) IN GENERAL.—Building the capacity  
23       of private nonprofit organizations to participate  
24       in the continuum of care system of the recipi-  
25       ent.

1           “(B) LIMITATIONS.—Not more than the  
2           following amounts may be used for capacity  
3           building under subparagraph (A):

4                   “(i) 2 percent of any grant amounts  
5                   provided for a recipient for a fiscal year  
6                   (including amounts used by a State to  
7                   carry out its own activities under section  
8                   408(c)(1)(A)).

9                   “(ii) 2 percent of any grant amounts  
10                  provided to a State for a fiscal year that  
11                  the State uses to distribute funds to a  
12                  State recipient under section 408(c)(1)(B).

13           “(11) OTHER ACTIVITIES.—Other activities as  
14           the Secretary determines will further the purposes of  
15           title I of the Homelessness Assistance and Manage-  
16           ment Reform Act of 1997.

17           “(c) TARGETING TO SUBPOPULATIONS OF PERSONS  
18   WITH DISABILITIES.—Notwithstanding any other provi-  
19   sion of law, projects for persons with disabilities assisted  
20   under this title may be targeted to specific subpopulations  
21   of such persons, including persons who—

22                   “(1) are seriously mentally ill;

23                   “(2) have chronic problems with drugs, alcohol,  
24           or both; or

1           “(3) have acquired immunodeficiency syndrome  
 2           or any conditions arising from the etiologic agency  
 3           for acquired immunodeficiency syndrome.

4   **“SEC. 405. MATCHING REQUIREMENT AND MAINTENANCE**  
 5           **OF EFFORT.**

6           “(a) MATCHING REQUIREMENT.—

7           “(1) IN GENERAL.—Each recipient shall make  
 8           contributions totaling not less than \$1 for every \$3  
 9           made available for the recipient for any fiscal year  
 10          under this title to carry out eligible activities. At the  
 11          end of each program year, each recipient shall cer-  
 12          tify to the Secretary that it has complied with this  
 13          section, and shall include with the certification a de-  
 14          scription of the sources and amounts of the match-  
 15          ing contributions. Contributions under this section  
 16          may not come from assistance provided under this  
 17          title.

18          “(2) CALCULATION OF AMOUNTS.—In calcu-  
 19          lating the amount of matching contributions re-  
 20          quired under paragraph (1), a recipient may  
 21          include—

22               “(A) any funds derived from a source,  
 23               other than assistance under this title or  
 24               amounts subject to subsection (b);

1                   “(B) the value of any lease on a building;  
2                   and

3                   “(C) any salary paid to staff or any volun-  
4                   teer labor contributed to carry out the program.

5           “(b) LIMITATION ON USE OF FUNDS.—No assistance  
6 received under this title may be used to replace other  
7 funds previously used, or designated for use, by the State,  
8 State recipient (except when a State recipient is a private  
9 nonprofit organization), allocation unit of general local  
10 government or insular area to assist homeless individuals  
11 and families.

12   **“SEC. 406. RESPONSIBILITIES OF RECIPIENTS, PROJECT**  
13                   **SPONSORS, AND OWNERS.**

14           “(a) USE OF ASSISTANCE THROUGH PRIVATE NON-  
15 PROFIT ORGANIZATIONS.—

16                   “(1) IN GENERAL.—Each recipient shall ensure  
17                   that at least 50 percent of the grant amounts that  
18                   are made available to it under this title for any fiscal  
19                   year are made available to project sponsors that are  
20                   private nonprofit organizations.

21                   “(2) WAIVER.—The Secretary may waive or re-  
22                   duce the requirement of paragraph (1), if the recipi-  
23                   ent demonstrates to the Secretary that the require-  
24                   ment interferes with the ability of the recipient to  
25                   provide assistance under this title because of the

1       paucity of qualified private nonprofit organizations  
2       in the jurisdiction of the recipient.

3       “(b) HOUSING QUALITY.—Each recipient shall en-  
4       sure that housing assisted with grant amounts provided  
5       under this title is decent, safe, and sanitary and complies  
6       with all applicable State and local housing codes, building  
7       codes, and licensing requirements in the jurisdiction in  
8       which the housing is located.

9       “(c) PREVENTION OF UNDUE BENEFIT.—The Sec-  
10      retary may prescribe such terms and conditions as the  
11      Secretary considers necessary to prevent project sponsors  
12      from unduly benefiting from the sale or other disposition  
13      of projects, other than a sale or other disposition resulting  
14      in the use of the project for the direct benefit of very low-  
15      income families.

16      “(d) CONFIDENTIALITY.—Each recipient shall de-  
17      velop and implement procedures to ensure the confiden-  
18      tiality of records pertaining to any individual provided  
19      services assisted under this title for family violence preven-  
20      tion or treatment or for such medical or other conditions  
21      as the Secretary may prescribe, and to ensure that the  
22      address or location of any project providing such services  
23      will, except with written authorization of the person or  
24      persons responsible for the operation of such project, not  
25      be made public.

1 “(e) EMPLOYMENT OF HOMELESS INDIVIDUALS.—

2 “(1) IN GENERAL.—To the maximum extent  
3 practicable, the Secretary shall ensure that recipi-  
4 ents, through employment, volunteer services, or oth-  
5 erwise, provide opportunities for homeless individ-  
6 uals and families to participate in—

7 “(A) constructing, renovating, maintaining,  
8 and operating facilities assisted under this title;

9 “(B) providing services so assisted; and

10 “(C) providing services for occupants of fa-  
11 cilities so assisted.

12 “(2) NO DISPLACEMENT OF EMPLOYED WORK-  
13 ERS.—In carrying out paragraph (1), recipients  
14 shall not displace employed workers.

15 “(f) OCCUPANCY CHARGE.—Any homeless individual  
16 or family residing in a dwelling unit assisted under this  
17 title may be required to pay an occupancy charge in an  
18 amount determined by the grantee providing the assist-  
19 ance, which may not exceed an amount equal to 30 percent  
20 of the adjusted income (as defined in section 3(b) of the  
21 United States Housing Act of 1937 or any other subse-  
22 quent provision of Federal law defining the term for pur-  
23 poses of eligibility for, or rental charges in, public housing)  
24 of the individual or family. Occupancy charges paid may

1 be reserved, in whole or in part, to assist residents in mov-  
 2 ing to permanent housing.

3 **“SEC. 407. ALLOCATION AND DISTRIBUTION OF FUNDS.**

4 “(a) INSULAR AREAS.—

5 “(1) ALLOCATION.—For each fiscal year, the  
 6 Secretary shall allocate assistance under this title to  
 7 insular areas, in an amount equal to 0.20 percent of  
 8 the amounts appropriated under the first sentence of  
 9 section 402(b).

10 “(2) DISTRIBUTION.—The Secretary shall pro-  
 11 vide for the distribution of amounts reserved under  
 12 paragraph (1) for insular areas pursuant to specific  
 13 criteria or a distribution formula prescribed by the  
 14 Secretary.

15 “(b) STATES AND ALLOCATION UNITS OF GENERAL  
 16 LOCAL GOVERNMENT.—

17 “(1) IN GENERAL.—For each fiscal year, of the  
 18 amounts appropriated under the first sentence of  
 19 section 402(b) that remain after amounts are re-  
 20 served for insular areas under subsection (a), the  
 21 Secretary shall allocate assistance according to the  
 22 formula described in paragraph (2).

23 “(2) FORMULA.—

24 “(A) ALLOCATION.—The Secretary shall  
 25 allocate amounts for allocation units of general

1 local government and States, in a manner that  
2 ensures that the percentage of the total amount  
3 available under this title for any fiscal year for  
4 any allocation unit of general local government  
5 or State is equal to the percentage of the total  
6 amount available for section 106 of the Hous-  
7 ing and Community Development Act of 1974  
8 for the same fiscal year that is allocated for the  
9 allocation unit of general local government or  
10 State.

11 “(B) MINIMUM ALLOCATION.—

12 “(i) GRADUATED MINIMUM GRANT AL-  
13 LOCATIONS.—A State, metropolitan city,  
14 or urban county shall receive no less fund-  
15 ing in the first fiscal year after the effec-  
16 tive date of this Act than 90 percent of the  
17 average of the amounts awarded annually  
18 to that jurisdiction for homeless assistance  
19 programs administered by the Secretary  
20 under this title during fiscal years 1996  
21 through 1999, not less than 85 percent in  
22 the second full fiscal year after the effec-  
23 tive date of this Act, not less than 80 per-  
24 cent in the third and fourth fiscal years  
25 after the effective date of this Act, and not

1 less than 75 percent in the fifth full fiscal  
2 year after the effective date of this Act,  
3 but only if the amount appropriated in  
4 each such fiscal year exceeds  
5 \$1,000,000,000. If that amount does not  
6 exceed \$1,000,000,000 in any fiscal year  
7 referred to in the first sentence of this  
8 paragraph, the jurisdiction may receive its  
9 proportionate share of the amount appro-  
10 priated which may be less than the amount  
11 in such sentence for such fiscal year.

12 “(ii) REDUCTION.—In any fiscal year,  
13 the Secretary may provide a grant under  
14 this subsection for a State, metropolitan  
15 city, or urban county, in an amount less  
16 than the amount allocated under those  
17 paragraphs, if the Secretary determines  
18 that the jurisdiction has failed to comply  
19 with requirements of this title, or that such  
20 action is otherwise appropriate.

21 “(C) STUDY; SUBMISSION OF INFORMA-  
22 TION TO CONGRESS RELATED TO ALTERNATIVE  
23 METHODS OF ALLOCATION.—Not later than 1  
24 year after the effective date of the Local Hous-  
25 ing Opportunities Act, the Secretary shall—

1 “(i) submit to Congress—

2 “(I) the best available method-  
3 ology for determining a formula rel-  
4 ative to the geographic allocation of  
5 funds under this subtitle among enti-  
6 tlement communities and nonentitle-  
7 ment areas based on the incidence of  
8 homelessness and factors that lead to  
9 homelessness;

10 “(II) proposed alternatives to the  
11 formula submitted pursuant to sub-  
12 clause (I) for allocating funds under  
13 this section, including an evaluation  
14 and recommendation on a 75/25 per-  
15 cent formula and other allocations of  
16 flexible block grant homeless assist-  
17 ance between metropolitan cities and  
18 urban counties and States under sub-  
19 paragraph (A);

20 “(III) an analysis of the defi-  
21 ciencies in the current allocation for-  
22 mula described in section 106(b) of  
23 the Housing and Community Develop-  
24 ment Act of 1974;

1 “(IV) an analysis of the adequacy  
2 of current indices used as proxies for  
3 measuring homelessness; and

4 “(V) an analysis of the bases un-  
5 derlying each of the proposed alloca-  
6 tion methods;

7 “(ii) perform the duties required by  
8 this paragraph in ongoing consultation  
9 with—

10 “(I) the Subcommittee on Hous-  
11 ing Opportunity and Community De-  
12 velopment of the Committee on Bank-  
13 ing, Housing, and Urban Affairs of  
14 the Senate;

15 “(II) the Subcommittee on Hous-  
16 ing and Community Opportunity of  
17 the Committee on Banking and Fi-  
18 nancial Services of the House of Rep-  
19 resentatives;

20 “(III) organizations representing  
21 States, metropolitan cities, and urban  
22 counties;

23 “(IV) organizations representing  
24 rural communities;

1 “(V) organizations representing  
2 veterans;

3 “(VI) organizations representing  
4 persons with disabilities;

5 “(VII) members of the academic  
6 community; and

7 “(VIII) national homelessness  
8 advocacy groups; and

9 “(iii) estimate the amount of funds that  
10 will be received annually by each entitlement  
11 community and nonentitlement area under each  
12 such alternative allocation system and compare  
13 such amounts to the amount of funds received  
14 by each entitlement community and nonentitle-  
15 ment area in prior years under this section.

16 **“SEC. 408. ADMINISTRATION OF PROGRAM.**

17 “(a) IN GENERAL.—The Secretary shall prescribe  
18 such procedures and requirements as the Secretary deems  
19 appropriate for administering grant amounts under this  
20 title.

21 “(b) ALLOCATION UNITS OF GENERAL LOCAL GOV-  
22 ERNMENT AND INSULAR AREAS.—

23 “(1) IN GENERAL.—Except as provided in para-  
24 graph (2), an allocation unit of general local govern-  
25 ment or insular area shall administer grant amounts

1 received under subsection (a) or (b) of section 407  
2 for any fiscal year.

3 “(2) AGENCIES AND ORGANIZATIONS DES-  
4 IGNATED BY JURISDICTION.—

5 “(A) DESIGNATION OF OTHER ENTITIES  
6 TO ADMINISTER GRANT AMOUNTS.—An alloca-  
7 tion unit of general local government or insular  
8 area may elect for any fiscal year to designate  
9 a public agency or a private nonprofit organiza-  
10 tion (or a collaboration of such organizations)  
11 to administer grant amounts received under  
12 subsection (a) or (b) of section 407 instead of  
13 the jurisdiction.

14 “(B) PROVISION OF GRANT AMOUNTS.—  
15 The Secretary may, at the request of a jurisdic-  
16 tion under subparagraph (A), provide grant  
17 amounts directly to the agency or organization  
18 designated under that subparagraph.

19 “(c) STATES.—

20 “(1) IN GENERAL.—The State—

21 “(A) may use not more than 15 percent of  
22 the amount made available to the State under  
23 section 407(b)(2) for a fiscal year to carry out  
24 its own homeless assistance program under this  
25 title; and

1           “(B) shall distribute the remaining  
2           amounts to State recipients.

3           “(2) DISTRIBUTION OF AMOUNTS TO STATE RE-  
4           CIPIENTS.—

5           “(A) IN GENERAL.—

6           “(i) OPTIONS.—States distributing  
7           amounts under paragraph (1)(B) to State  
8           recipients that are units of general local  
9           government shall, for each fiscal year, af-  
10          ford each such recipient the options of—

11                   “(I) administering the grant  
12                   amounts on its own behalf;

13                   “(II) designating (as provided by  
14                   subsection (b)(2)) a public agency or  
15                   a private nonprofit organization (or a  
16                   combination of such organizations) to  
17                   administer the grant amounts instead  
18                   of the jurisdiction; or

19                   “(III) entering into an agreement  
20                   with the State, in consultation with  
21                   private nonprofit organizations pro-  
22                   viding assistance to homeless individ-  
23                   uals and families in the jurisdiction,  
24                   under which the State will administer

1           the grant amounts instead of the ju-  
2           risdiction.

3           “(ii) EFFECT OF DESIGNATION.—A  
4           State recipient designating an agency or  
5           organization as provided by clause (i)(II),  
6           or entering into an agreement with the  
7           State under clause (i)(III), shall remain  
8           the State recipient for purposes of this  
9           title.

10          “(iii) DIRECT ASSISTANCE.—The  
11          State may, at the request of the State re-  
12          cipient, provide grant amounts directly to  
13          the agency or organization designated  
14          under clause (i)(II).

15          “(B) APPLICATION.—

16          “(i) IN GENERAL.—The State shall  
17          distribute amounts to State recipients (or  
18          to agencies or organizations designated  
19          under subparagraph (A)(i)(II), as appro-  
20          priate) on the basis of an application con-  
21          taining such information as the State may  
22          prescribe, except that each application  
23          shall reflect the State application require-  
24          ments in section 403(d) and evidence an

1 intent to facilitate the establishment of a  
2 continuum of care system.

3 “(ii) WAIVER.—The State may waive  
4 the requirements in clause (i) with respect  
5 to 1 or more proposed activities, if the  
6 State determines that—

7 “(I) the activities are necessary  
8 to meet the needs of homeless individ-  
9 uals and families within the jurisdic-  
10 tion; and

11 “(II) a continuum of care system  
12 is not necessary, due to the nature  
13 and extent of homelessness in the ju-  
14 risdiction.

15 “(C) PREFERENCE.—In selecting State re-  
16 cipients and making awards under subpara-  
17 graph (B), the State shall give preference to ap-  
18 plications that demonstrate higher relative lev-  
19 els of homeless need and fiscal distress.

20 **“SEC. 409. CITIZEN PARTICIPATION.**

21 “(a) IN GENERAL.—Each recipient shall ensure that  
22 citizens, appropriate private nonprofit organizations, and  
23 other interested groups and entities participate fully in the  
24 development and carrying out of the program authorized  
25 under this title.

1       “(b) ALLOCATION UNITS OF GENERAL LOCAL GOV-  
 2       ERNMENT AND INSULAR AREAS.—The chief executive offi-  
 3       cer of each allocation unit of general local government or  
 4       insular area shall designate an entity, which shall assist  
 5       the jurisdiction—

6               “(1) by developing the continuum of care sys-  
 7       tem and other submission requirements, and by sub-  
 8       mitting the system and such other submission re-  
 9       quirements for its approval under section 403(b);

10              “(2) in overseeing the activities carried out with  
 11       assistance under this title; and

12              “(3) in preparing the performance report under  
 13       section 410(b).

14       “(c) STATE RECIPIENTS.—The chief executive officer  
 15       of the State shall designate an entity which shall assist  
 16       the State—

17              “(1) by developing the continuum of care sys-  
 18       tem and other submission requirements, and by sub-  
 19       mitting the system and such other submission re-  
 20       quirements for its approval under section 403(b);

21              “(2) in determining the percentage of the grant  
 22       that the State should use—

23                      “(A) to carry out its own homeless assist-  
 24       ance program under section 408(c)(1)(A); or

1 “(B) to distribute amounts to State recipi-  
 2 ents under section 408(c)(1)(B);

3 “(3) in carrying out the responsibilities of the  
 4 State, if the State enters into an agreement with a  
 5 State recipient to administer the amounts of the  
 6 State recipient under section 408(c)(2)(A)(i)(III);

7 “(4) in overseeing the activities carried out with  
 8 assistance under this title; and

9 “(5) in preparing the performance report under  
 10 section 410(b).

11 **“SEC. 410. PERFORMANCE REPORTS, REVIEWS, AUDITS,**  
 12 **AND GRANT ADJUSTMENTS.**

13 “(a) NATIONAL PERFORMANCE MEASURES AND  
 14 BENCHMARKS.—The Secretary shall establish national  
 15 performance measures and benchmarks to assist the Sec-  
 16 retary, grantees, citizens, and others in assessing the use  
 17 of funds made available under this title.

18 “(b) GRANTEE PERFORMANCE AND EVALUATION  
 19 REPORT.—

20 “(1) IN GENERAL.—Each grantee shall submit  
 21 to the Secretary a performance and evaluation re-  
 22 port concerning the use of funds made available  
 23 under this title.

24 “(2) TIMING AND CONTENTS.—The report  
 25 under subsection (a) shall be submitted at such time

1 as the Secretary shall prescribe and contain an as-  
2 sessment of the performance of the grantee as meas-  
3 ured against any specific performance measures and  
4 benchmarks (developed under section 403), the na-  
5 tional performance measures and benchmarks (as es-  
6 tablished under subsection (a)), and such other in-  
7 formation as the Secretary shall prescribe. Such per-  
8 formance measures and benchmarks shall include a  
9 measure of the number of homeless individuals who  
10 transition to self-sufficiency, and a measure of the  
11 number of homeless individuals who have ended a  
12 chemical dependency or drug addiction.

13 “(3) AVAILABILITY TO PUBLIC.—Before the  
14 submission of a report under subsection (a), the  
15 grantee shall make the report available to citizens,  
16 public agencies, and other interested parties in the  
17 jurisdiction of the grantee in sufficient time to per-  
18 mit them to comment on the report before submis-  
19 sion.

20 “(c) PERFORMANCE REVIEWS, AUDITS, AND GRANT  
21 ADJUSTMENTS.—

22 “(1) PERFORMANCE REVIEWS AND AUDITS.—  
23 The Secretary shall, not less than annually, make  
24 such reviews and audits as may be necessary or ap-  
25 propriate to determine—

1           “(A) in the case of a grantee (other than  
2 a grantee referred to in subparagraph (B)),  
3 whether the grantee—

4           “(i) has carried out its activities in a  
5 timely manner;

6           “(ii) has made progress toward imple-  
7 menting the continuum of care system in  
8 conformity with its application under this  
9 title; and

10          “(iii) has carried out its activities and  
11 certifications in accordance with the re-  
12 quirements of this title and other applica-  
13 ble laws; and

14          “(B) in the case of States distributing  
15 grant amounts to State recipients, whether the  
16 State—

17          “(i) has distributed amounts to State  
18 recipients in a timely manner and in con-  
19 formance with the method of distribution  
20 described in its application;

21          “(ii) has carried out its activities and  
22 certifications in compliance with the re-  
23 quirements of this title and other applica-  
24 ble laws; and

1                   “(iii) has made such performance re-  
2                   views and audits of the State recipients as  
3                   may be necessary or appropriate to deter-  
4                   mine whether they have satisfied the appli-  
5                   cable performance criteria set forth in sub-  
6                   paragraph (A).

7                   “(2) GRANT ADJUSTMENTS.—The Secretary  
8                   may make appropriate adjustments in the amount of  
9                   grants in accordance with the findings of the Sec-  
10                  retary under this subsection. With respect to assist-  
11                  ance made available for State recipients, the Sec-  
12                  retary may adjust, reduce, or withdraw such assist-  
13                  ance, or take other action as appropriate in accord-  
14                  ance with the performance reviews and audits of the  
15                  Secretary under this subsection, except that amounts  
16                  already properly expended on eligible activities under  
17                  this title shall not be recaptured or deducted from  
18                  future assistance to such recipients.

19   **“SEC. 411. NONDISCRIMINATION IN PROGRAMS AND AC-**  
20                   **TIVITIES.**

21                  “No person in the United States shall, on the ground  
22                  of race, color, national origin, religion, or sex, be excluded  
23                  from participation in, be denied the benefits of, or be sub-  
24                  jected to discrimination under any program or activity  
25                  funded in whole or in part with funds made available

1 under this title. Any prohibition against discrimination on  
 2 the basis of age under the Age Discrimination Act of 1975  
 3 or with respect to an otherwise qualified individual with  
 4 a disability, as provided in section 504 of the Rehabilita-  
 5 tion Act of 1973, shall also apply to any such program  
 6 or activity.

7 **“SEC. 412. RETENTION OF RECORDS, REPORTS, AND AU-**  
 8 **DITS.**

9 “(a) RETENTION OF RECORDS.—Each recipient shall  
 10 keep such records as may be reasonably necessary—

11 “(1) to disclose the amounts and the disposition  
 12 of the grant amounts, including the types of activi-  
 13 ties funded and the nature of populations served  
 14 with these funds; and

15 “(2) to ensure compliance with the require-  
 16 ments of this title.

17 “(b) ACCESS TO DOCUMENTS BY THE SECRETARY.—  
 18 The Secretary shall have access for the purpose of audit  
 19 and examination to any books, documents, papers, and  
 20 records of any recipient that are pertinent to grant  
 21 amounts received in connection with this title.

22 “(c) ACCESS TO DOCUMENTS BY THE COMPTROLLER  
 23 GENERAL.—The Comptroller General of the United  
 24 States, or any duly authorized representative of the Comp-  
 25 troller General, shall have access for the purpose of audit

1 and examination to any books, documents, papers, and  
2 records of any recipient that are pertinent to grant  
3 amounts received in connection with this title.”.

4 **SEC. 303. REPEAL AND SAVINGS PROVISIONS.**

5 (a) **AUTHORITY TO PROVIDE ASSISTANCE.**—Begin-  
6 ning on the effective date of this Act, the Secretary may  
7 not make assistance available under title IV of the Stewart  
8 B. McKinney Homeless Assistance Act (as in existence im-  
9 mediately before such effective date), except pursuant to  
10 a legally binding commitment entered into before that  
11 date.

12 (b) **LAW GOVERNING.**—Any amounts made available  
13 under title IV of the Stewart B. McKinney Homeless As-  
14 sistance Act before the effective date of this Act shall con-  
15 tinue to be governed by the provisions of that title, as they  
16 existed immediately before that effective date, except that  
17 each grantee may, in its discretion, provide for the use,  
18 in accordance with the provisions of title IV of the Stewart  
19 B. McKinney Homeless Assistance Act (as amended by  
20 this title), of any such amounts that it has not obligated.

21 (c) **STATUS OF FUNDS.**—

22 (1) **IN GENERAL.**—Any amounts appropriated  
23 under title IV of the Stewart B. McKinney Homeless  
24 Assistance Act before the effective date of this Act  
25 that are available for obligation immediately before

1       such effective date, or that become available for obli-  
2       gation on or after that date, shall be transferred and  
3       added to amounts appropriated for title IV of the  
4       Stewart B. McKinney Homeless Assistance Act (as  
5       amended by this title), and shall be available for use  
6       in accordance with the provisions of such title IV.

7           (2) AVAILABILITY.—Any amounts transferred  
8       under paragraph (1) shall remain available for obli-  
9       gation only for the time periods for which such re-  
10      spective amounts were available before such transfer.

11   **SEC. 304. IMPLEMENTATION.**

12       (a) INITIAL ALLOCATION OF ASSISTANCE.—Not later  
13      than the expiration of the 60-day period following the date  
14      of enactment of an Act appropriating funds to carry out  
15      title IV of the Stewart B. McKinney Homeless Assistance  
16      Act (as amended by this title), the Secretary shall notify  
17      each allocation unit of general local government, insular  
18      area, and State of its allocation under the McKinney  
19      Homeless Assistance Performance Fund.

20       (b) ISSUANCE OF NECESSARY REGULATIONS.—Not-  
21      withstanding section 7(o) of the Department of Housing  
22      and Urban Development Act (42 U.S.C. 3535(o)), the  
23      Secretary shall issue such regulations as may be necessary  
24      to implement any provision of title I of this Act, and any  
25      amendment made by this title, in accordance with section

1 552 or 553 of title 5, United States Code, as determined  
 2 by the Secretary.

3 (c) USE OF EXISTING RULES.—In implementing any  
 4 provision of this title, the Secretary may, in the discretion  
 5 of the Secretary, provide for the use of existing rules to  
 6 the extent appropriate, without the need for further rule-  
 7 making.

## 8 **TITLE IV—RURAL HOUSING**

### 9 **SEC. 401. MUTUAL AND SELF-HELP HOUSING TECHNICAL** 10 **ASSISTANCE AND TRAINING GRANTS AU-** 11 **THORIZATION.**

12 Section 513(b) of the Housing Act of 1949 (42  
 13 U.S.C. 1483(b)) is amended by striking paragraph (8) and  
 14 inserting the following:

15 “(8) For grants under paragraphs (1)(A) and  
 16 (2) of section 523(b)—

17 “(A) \$40,000,000 for fiscal year 2001;

18 “(B) \$45,000,000 for fiscal year 2002; and

19 “(C) \$50,000,000 for fiscal year 2003.”.

### 20 **SEC. 402. ENHANCEMENT OF THE RURAL HOUSING REPAIR** 21 **LOAN PROGRAM FOR THE ELDERLY.**

22 Section 504(a) of the Housing Act of 1949 (42  
 23 U.S.C. 1474(a)) is amended by striking “\$2,500” and in-  
 24 serting “\$7,500”.

1 **SEC. 403. ENHANCEMENT OF EFFICIENCY OF RURAL HOUS-**  
 2 **ING PRESERVATION GRANTS.**

3 Section 533 of the Housing Act of 1949 (42 U.S.C.  
 4 1490m) is amended—

5 (1) by striking subsection (c);

6 (2) in subsection (d)(3)(H), by striking  
 7 “(e)(1)(B)(iv)” and inserting “(d)(1)(B)(iv)”; and

8 (3) by redesignating subsections (d) through (i)  
 9 as subsections (c) through (h), respectively.

10 **SEC. 404. PROJECT ACCOUNTING RECORDS AND PRAC-**  
 11 **TICES.**

12 Section 515 of the Housing Act of 1949 (42 U.S.C.  
 13 1485) is amended by striking subsection (z) and inserting  
 14 the following:

15 “(z) ACCOUNTING AND RECORDKEEPING REQUIRE-  
 16 MENTS.—

17 “(1) ACCOUNTING STANDARDS.—The Secretary  
 18 shall require that borrowers in programs authorized  
 19 by this section maintain accounting records in ac-  
 20 cordance with generally accepted accounting prin-  
 21 ciples for all projects that receive funds from loans  
 22 made or guaranteed by the Secretary under this sec-  
 23 tion.

24 “(2) RECORD RETENTION REQUIREMENTS.—  
 25 The Secretary shall require that borrowers in pro-  
 26 grams authorized by this section retain for a period

1 of not less than 6 years and make available to the  
 2 Secretary in a manner determined by the Secretary,  
 3 all records required to be maintained under this sub-  
 4 section and other records identified by the Secretary  
 5 in applicable regulations.

6 “(aa) DOUBLE DAMAGE REMEDY FOR UNAUTHOR-  
 7 IZED USE OF HOUSING PROJECTS ASSETS AND IN-  
 8 COME.—

9 “(1) ACTION TO RECOVER ASSETS OR IN-  
 10 COME.—

11 “(A) IN GENERAL.—The Secretary may re-  
 12 quest the Attorney General to bring an action  
 13 in a district court of the United States to re-  
 14 cover any assets or income used by any person  
 15 in violation of the provisions of a loan made or  
 16 guaranteed by the Secretary under this section  
 17 or in violation of any applicable statute or regu-  
 18 lation.

19 “(B) IMPROPER DOCUMENTATION.—For  
 20 purposes of this subsection, a use of assets or  
 21 income in violation of the applicable loan, loan  
 22 guarantee, statute, or regulation shall include  
 23 any use for which the documentation in the  
 24 books and accounts does not establish that the  
 25 use was made for a reasonable operating ex-

1           pense or necessary repair of the project or for  
 2           which the documentation has not been main-  
 3           tained in accordance with the requirements of  
 4           the Secretary and in reasonable condition for  
 5           proper audit.

6           “(C) DEFINITION OF PERSON.—In this  
 7           subsection, the term ‘person’ means—

8                   “(i) any individual or entity that bor-  
 9                   rows funds in accordance with programs  
 10                  authorized by this section;

11                  “(ii) any individual or entity holding  
 12                  25 percent or more interest of any entity  
 13                  that borrows funds in accordance with pro-  
 14                  grams authorized by this section; or

15                  “(iii) any officer, director, or partner  
 16                  of an entity that borrows funds in accord-  
 17                  ance with programs authorized by this sec-  
 18                  tion.

19           “(2) AMOUNT RECOVERABLE.—

20                  “(A) IN GENERAL.—In any judgment fa-  
 21                  vorable to the United States entered under this  
 22                  subsection, the Attorney General may recover  
 23                  double the value of the assets and income of the  
 24                  project that the court determines to have been  
 25                  used in violation of the provisions of a loan

1           made or guaranteed by the Secretary under this  
2           section or any applicable statute or regulation,  
3           plus all costs related to the action, including  
4           reasonable attorney and auditing fees.

5           “(B) APPLICATION OF RECOVERED  
6           FUNDS.—Notwithstanding any other provision  
7           of law, the Secretary may apply any recovery of  
8           funds under this subsection to activities author-  
9           ized under this section and such funds shall re-  
10          main available until expended.

11          “(3) TIME LIMITATION.—Notwithstanding any  
12          other statute of limitations, the Attorney General  
13          may bring an action under this subsection at any  
14          time up to and including 6 years after the date that  
15          the Secretary discovered or should have discovered  
16          the violation of the provisions of this section or any  
17          related statutes or regulations.

18          “(4) CONTINUED AVAILABILITY OF OTHER  
19          REMEDIES.—The remedy provided in this subsection  
20          is in addition to and not in substitution of any other  
21          remedies available to the Secretary or the United  
22          States.”.

1 **SEC. 405. OPERATING ASSISTANCE FOR MIGRANT FARM**  
 2 **WORKER PROJECTS.**

3 Section 521(a)(5)(A) of the Housing Act of 1949 (42  
 4 U.S.C. 1490a(a)(5)(A)) is amended in the last sentence  
 5 by striking “project” and inserting “tenant or unit”.

6 **TITLE V—VOUCHER REFORM**

7 **SEC. 501. AUTHORIZATION OF APPROPRIATIONS FOR RENT-**  
 8 **AL VOUCHERS FOR RELOCATION OF WIT-**  
 9 **NESSES AND VICTIMS OF CRIME.**

10 Section 8(o)(16) of the United States Housing Act  
 11 of 1937 (42 U.S.C. 1437f(o)(16)) is amended—

12 (1) in subparagraph (A), by striking “Of  
 13 amounts made available for assistance under this  
 14 subsection” and inserting “Of the amount made  
 15 available under subparagraph (C)”;

16 (2) in subparagraph (B), by striking “Of  
 17 amounts made available for assistance under this  
 18 section” and inserting “Of the amount made avail-  
 19 able under subparagraph (C)”;

20 (3) by adding at the end the following:

21 “(C) AUTHORIZATION OF APPROPRIA-  
 22 TIONS.—In addition to amounts made available  
 23 to carry out this section for each fiscal year,  
 24 there is authorized to be appropriated to carry  
 25 out this paragraph \$25,000,000 for each fiscal  
 26 year.”.

1 **SEC. 502. REVISIONS TO THE LEASE ADDENDUM.**

2 Section 8(o)(7)(F) of the United States Housing Act  
3 of 1937 (42 U.S.C. 1437f(o)(7)(F)) is amended striking  
4 the period at the end and inserting the following: “, except  
5 that—

6 “(i) the provisions of any such adden-  
7 dum shall supplement any existing stand-  
8 ard rental agreement to the extent that the  
9 addendum does not modify, nullify, or in  
10 any way materially alter any material pro-  
11 vision of the rental agreement; and

12 “(ii) a provision of the addendum  
13 shall be nullified only to extent that the  
14 provision conflicts with applicable State or  
15 local law.”.

16 **SEC. 503. REPORT REGARDING HOUSING VOUCHER PRO-**  
17 **GRAM.**

18 (a) IN GENERAL.—The Secretary shall publish in the  
19 Federal Register a notice soliciting comments and rec-  
20 ommendations regarding the means by which the voucher  
21 program under section 8(o) of the United States Housing  
22 Act of 1937 (42 U.S.C. 1437f(o)) may be changed and  
23 enhanced to promote increased participation by private  
24 rental housing owners.

25 (b) REPORT.—Not later than 6 months after the ef-  
26 fective date of this Act, the Secretary shall submit to the

1 Committees a report on the results of the solicitation  
 2 under subsection (a), which shall include a summary and  
 3 analysis of the recommendations received, especially rec-  
 4 ommendations regarding legislative and administrative  
 5 changes to the program described in subsection (a).

6 **SEC. 504. CONDUCTING QUALITY STANDARD INSPECTIONS**  
 7 **ON A PROPERTY BASIS RATHER THAN A UNIT**  
 8 **BASIS.**

9 Section 8(o)(8) of the United States Housing Act of  
 10 1937 (42 U.S.C. 1437f(o)(8)) is amended—

11 (1) in the paragraph heading, by inserting  
 12 “AND PROPERTIES” after “UNITS”;

13 (2) in subparagraph (A)—

14 (A) by striking “Except as provided” and  
 15 inserting the following:

16 “(i) INSPECTION REQUIREMENT.—Ex-  
 17 cept as provided”; and

18 (B) by adding at the end the following:

19 “(ii) INSPECTION AND CERTIFICATION  
 20 ON A PROPERTY-WIDE BASIS.—

21 “(I) IN GENERAL.—For purposes  
 22 of this subparagraph, each owner  
 23 shall have the option of having the  
 24 property of the owner inspected and  
 25 certified on a property-wide basis,

1 subject to the inspection guidelines set  
2 forth in subparagraphs (C) and (D).

3 “(II) CERTIFICATION.—Owners  
4 of properties electing a property-wide  
5 inspection and not currently receiving  
6 tenant-based assistance for any dwell-  
7 ing unit in those properties may elect  
8 a property-wide certification by having  
9 each dwelling unit that is to be made  
10 available for tenant-based assistance  
11 inspected before any housing assist-  
12 ance payments are made. Any owner  
13 participating in the voucher program  
14 under this subsection as of the effec-  
15 tive date of Local Housing Opportuni-  
16 ties Act shall have the option of elect-  
17 ing property-wide certification by  
18 sending written notice to the appro-  
19 priate administering agency. Any  
20 property that is inspected and cer-  
21 tified on a property-wide basis shall  
22 not be required to have units in the  
23 property inspected individually in con-  
24 junction with each new rental agree-  
25 ment.”;

1 (3) in subparagraph (C)—

2 (A) in the first sentence—

3 (i) by inserting “or property” after  
4 “dwelling unit”; and

5 (ii) by inserting “or property” after  
6 “the unit”; and

7 (B) in the second sentence, by inserting  
8 “or properties” after “dwelling units”; and

9 (4) in subparagraph (D), in the first sentence—

10 (A) by inserting “or property” after  
11 “dwelling unit”;

12 (B) by inserting “or property” after “pay-  
13 ments contract for the unit”; and

14 (C) by inserting “or property” after  
15 “whether the unit”.

16 **TITLE VI—PROGRAM**  
17 **MODERNIZATION**

18 **SEC. 601. ASSISTANCE FOR SELF-HELP HOUSING PRO-**  
19 **VIDERS.**

20 (a) REAUTHORIZATION.—Section 11 of the Housing  
21 Opportunity Program Extension Act of 1996 (42 U.S.C.  
22 12805 note) is amended by striking subsection (p) and  
23 inserting the following:

24 “(p) AUTHORIZATION OF APPROPRIATIONS.—There  
25 is authorized to be appropriated to carry out this section

1 \$25,000,000 for fiscal year 2001 and such sums as may  
 2 be necessary for each of fiscal years 2002 and 2003.”.

3 (b) ELIGIBLE EXPENSES.—Section 11(d)(2)(A) of  
 4 the Housing Opportunity Program Extension Act of 1996  
 5 (42 U.S.C. 12805 note) is amended by inserting before  
 6 the period at the end the following: “, which may include  
 7 reimbursing an organization, consortium, or affiliate, upon  
 8 approval of any required environmental review, for  
 9 nongrant amounts of the organization, consortium, or af-  
 10 filiate advanced before such review to acquire land”.

11 (c) DEADLINE FOR RECAPTURE OF FUNDS.—Section  
 12 11 of the Housing Opportunity Program Extension Act  
 13 of 1996 (42 U.S.C. 12805 note) is amended—

14 (1) in subsection (i)(5)—

15 (A) by striking “if the organization or con-  
 16 sortia has not used any grant amounts” and in-  
 17 serting “the Secretary shall recapture any grant  
 18 amounts provided to the organization or con-  
 19 sortia that are not used”;

20 (B) by striking “(or,” and inserting “, ex-  
 21 cept that such period shall be 36 months”; and

22 (C) by striking “within 36 months), the  
 23 Secretary shall recapture such unused  
 24 amounts” and inserting “and in the case of a  
 25 grant amounts provided to a local affiliate of

1 the organization or consortia that is developing  
 2 5 or more dwellings in connection with such  
 3 grant amounts”; and

4 (2) in subsection (j), by inserting “and grant  
 5 amounts provided to a local affiliate of the organiza-  
 6 tion or consortia that is developing 5 or more dwell-  
 7 ings in connection with such grant amounts” before  
 8 the period at the end.

9 (d) TECHNICAL CORRECTION.—Section 11(e) of the  
 10 Housing Opportunity Program Extension Act of 1996 (42  
 11 U.S.C. 12805 note) is amended by striking “consoria” and  
 12 inserting “consortia”.

13 **SEC. 602. LOCAL CAPACITY BUILDING FOR COMMUNITY DE-**  
 14 **VELOPMENT AND AFFORDABLE HOUSING.**

15 Section 4 of the HUD Demonstration Act of 1993  
 16 (42 U.S.C. 9816 note) is amended—

17 (1) in subsection (a), by inserting “National  
 18 Association of Housing Partnerships,” after “Hu-  
 19 manity,”; and

20 (2) in subsection (e), by striking “\$25,000,000”  
 21 and all that follows before the period and inserting  
 22 “to carry out this section, \$40,000,000 for each of  
 23 fiscal years 2001 through 2003”.

1 **SEC. 603. WORK REQUIREMENT FOR PUBLIC HOUSING**  
 2 **RESIDENTS: COORDINATION OF FEDERAL**  
 3 **HOUSING ASSISTANCE WITH STATE WELFARE**  
 4 **REFORM WORK PROGRAMS.**

5 (a) IN GENERAL.—Title I of the United States Hous-  
 6 ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by  
 7 adding at the end the following:

8 **“SEC. 36. WORK REQUIREMENT.**

9 “(a) IN GENERAL.—Each family residing in public  
 10 housing, shall comply with the requirements of section 407  
 11 of the Social Security Act (42 U.S.C. 607) in the same  
 12 manner and to the same extent as a family receiving as-  
 13 sistance under a State program funded under part A of  
 14 title IV of that Act (42 U.S.C. 601 et seq.).

15 “(b) WORK REQUIREMENTS.—

16 “(1) ANNUAL DETERMINATIONS.—

17 “(A) REQUIREMENT.—For each family re-  
 18 siding in public housing that is subject to the  
 19 requirement under subsection (a), the public  
 20 housing agency shall, 30 days before the expira-  
 21 tion of each lease term of the family under sec-  
 22 tion 6(l)(1), review and determine the compli-  
 23 ance of the family with the requirement under  
 24 subsection (a) of this subsection.

25 “(B) DUE PROCESS.—Each determination  
 26 under subparagraph (A) shall be made in ac-

cordance with the principles of due process and on a nondiscriminatory basis.

“(C) NONCOMPLIANCE.— If a public housing agency determines that a family subject to the requirement under subsection (a) has not complied with the requirement, the agency—

“(i) shall notify the family—

“(I) of such noncompliance;

“(II) that the determination of noncompliance is subject to the administrative grievance procedure under subsection (k); and

“(III) that, unless the family enters into an agreement under clause (ii) of this subparagraph, the family’s lease will not be renewed; and

“(ii) may not renew or extend the family’s lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless the agency enters into an agreement, before the expiration of the lease term, with the family providing for the family to cure any noncompliance with the requirement under paragraph (1), by

1 participating in an economic self-suffi-  
 2 ciency program (as defined in section  
 3 12(g)) for or contributing to community  
 4 service as many additional hours as the  
 5 family needs to comply in the aggregate  
 6 with such requirement over the 12-month  
 7 term of the lease.

8 “(2) INELIGIBILITY FOR OCCUPANCY FOR NON-  
 9 COMPLIANCE.—A public housing agency may not  
 10 renew or extend any lease, or provide any new lease,  
 11 for a dwelling unit in public housing for any family  
 12 who was subject to the requirement under subsection  
 13 (a) and failed to comply with the requirement.

14 “(3) INCLUSION IN PLAN.—Each public housing  
 15 agency shall include in its public housing agency  
 16 plan a detailed description of the manner in which  
 17 the agency intends to implement and administer this  
 18 subsection.”.

19 (b) CONFORMING AMENDMENT.—Section 12(c) of  
 20 the United States Housing Act of 1937 (42 U.S.C.  
 21 1437j(c)) is repealed.

22 **SEC. 604. SIMPLIFIED FHA DOWNPAYMENT CALCULATION.**

23 Section 203(b) of the National Housing Act (12  
 24 U.S.C. 1709(b)) is amended—

1           (1) in paragraph (2), by striking subparagraph  
2       (B) and all that follows through “applicability of  
3       this requirement.” and inserting the following:

4                   “(B) not to exceed an amount equal to—

5                           “(i) 98.75 percent of the appraised  
6                           value of the property, if such value is equal  
7                           to or less than \$50,000;

8                           “(ii) 97.65 percent of the appraised  
9                           value of the property, if such value is in  
10                          excess of \$50,000 but not in excess of  
11                          \$125,000;

12                          “(iii) 97.15 percent of the appraised  
13                          value of the property, if such value is in  
14                          excess of \$125,000; or

15                          “(iv) notwithstanding clauses (ii) and  
16                          (iii), 97.75 percent of the appraised value  
17                          of the property, if such value is in excess  
18                          of \$50,000 and the property is in a State  
19                          for which the average closing cost exceeds  
20                          2.10 percent of the average, for the State,  
21                          of the sales price of properties located in  
22                          the State for which mortgages have been  
23                          executed, as determined by the Secretary,  
24                          except that, in this clause, the term ‘aver-  
25                          age closing cost’ means, with respect to a

1 State, the average, for mortgages executed  
 2 for properties in the State, of the total  
 3 amounts (as determined by the Secretary)  
 4 of initial service charges, appraisal, inspec-  
 5 tion, and other fees and costs (as the Sec-  
 6 retary shall approve) that are paid in con-  
 7 nection with such mortgages.”; and

8 (2) by striking paragraph (10).

9 **SEC. 605. FLEXIBLE USE OF CDBG FUNDS.**

10 Section 105(a)(23) of the Housing and Community  
 11 Development Act of 1974 (42 U.S.C. 5305(a)(23)) is  
 12 amended by striking “housing units acquired” and all that  
 13 follows before the semicolon and inserting the following:  
 14 “housing (A) acquired through tax foreclosure proceedings  
 15 brought by a unit of State or local government, or (B)  
 16 placed under the supervision of a court for the purpose  
 17 of remedying conditions dangerous to life, health, and  
 18 safety, in order to prevent the abandonment and deteriora-  
 19 tion of such housing primarily in low- and moderate-in-  
 20 come neighborhoods”.

21 **SEC. 606. USE OF SECTION 8 ASSISTANCE IN GRANDFAMILY**  
 22 **HOUSING ASSISTED WITH HOME FUNDS.**

23 Section 215(a) of the Cranston-Gonzalez National  
 24 Affordable Housing Act (42 U.S.C. 12745(a)) is amended  
 25 by adding at the end the following:

1 “(6) WAIVER OF QUALIFYING RENT.—

2 “(A) IN GENERAL.—For the purpose of  
3 providing affordable housing appropriate for  
4 families described in subparagraph (B), the  
5 Secretary may, upon the application of the  
6 project owner, waive the applicability of para-  
7 graph (1)(A) with respect to a dwelling unit  
8 if—

9 “(i) the unit is occupied by such a  
10 family, on whose behalf tenant-based as-  
11 sistance is provided under section 8 of the  
12 United States Housing Act of 1937 (42  
13 U.S.C. 1437f);

14 “(ii) the rent for the unit is not great-  
15 er than the existing fair market rent for  
16 comparable units in the area, as estab-  
17 lished by the Secretary under section 8 of  
18 the United States Housing Act of 1937;  
19 and

20 “(iii) the Secretary determines that  
21 the waiver, together with waivers under  
22 this paragraph for other dwelling units in  
23 the project, will result in the use of  
24 amounts described in clause (iii) in an ef-  
25 fective manner that will improve the provi-

1           sion of affordable housing for such fami-  
 2           lies.

3           “(B) ELIGIBLE FAMILIES.—A family de-  
 4           scribed in this subparagraph is a family that  
 5           consists of at least 1 elderly person (who is the  
 6           head of household) and 1 or more of such per-  
 7           son’s grandchildren, great grandchildren, great  
 8           nieces, great nephews, or great great grand-  
 9           children (as defined by the Secretary), but does  
 10          not include any parent of such grandchildren,  
 11          great grandchildren, great nieces, great neph-  
 12          ews, or great great grandchildren. Such term  
 13          includes any such grandchildren, great grand-  
 14          children, great nieces, great nephews, or great  
 15          great grandchildren who have been legally  
 16          adopted by such elderly person.”.

17 **SEC. 607. SECTION 8 HOMEOWNERSHIP OPTION DOWNPAY-**  
 18 **MENT ASSISTANCE.**

19          (a) AMENDMENTS.—Section 8(y) of the United  
 20 States Housing Act of 1937 (42 U.S.C. 1437f(y)) is  
 21 amended—

22           (1) by redesignating paragraph (7) as para-  
 23          graph (8); and

24           (2) by inserting after paragraph (6) the fol-  
 25          lowing:

1 “(7) DOWNPAYMENT ASSISTANCE.—

2 “(A) AUTHORITY.—A public housing agen-  
 3 cy may, in lieu of providing monthly assistance  
 4 payments under this subsection on behalf of a  
 5 family eligible for such assistance and at the  
 6 discretion of the public housing agency, provide  
 7 assistance for the family in the form of a single  
 8 grant to be used only as a contribution toward  
 9 the downpayment required in connection with  
 10 the purchase of a dwelling for fiscal year 2001  
 11 and each fiscal year thereafter to the extent  
 12 provided in advance in appropriations Acts.

13 “(B) AMOUNT.—The amount of a down-  
 14 payment grant on behalf of an assisted family  
 15 may not exceed the amount that is equal to the  
 16 sum of the assistance payments that would be  
 17 made during the first year of assistance on be-  
 18 half of the family, based upon the income of the  
 19 family at the time the grant is to be made.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
 21 subsection (a) shall take effect immediately after the  
 22 amendments made by section 555(c) of the Quality Hous-  
 23 ing and Work Responsibility Act of 1998 take effect pur-  
 24 suant to such section.

1 **SEC. 608. REAUTHORIZATION OF NEIGHBORHOOD REIN-**  
 2 **VESTMENT CORPORATION.**

3 Section 608(a)(1) of the Neighborhood Reinvestment  
 4 Corporation Act (42 U.S.C. 8107(a)(1)) is amended by  
 5 striking the first sentence and inserting the following:  
 6 “There is authorized to be appropriated to the corporation  
 7 to carry out this title \$90,000,000 for fiscal year 2001,  
 8 \$95,000,000 for fiscal year 2002, and \$95,000,000 for fis-  
 9 cal year 2003.”.

10 **TITLE VII—STATE HOUSING**  
 11 **BLOCK GRANT**

12 **SEC. 701. STATE CONTROL OF PUBLIC AND ASSISTED**  
 13 **HOUSING FUNDS.**

14 Title I of the United States Housing Act of 1937 (42  
 15 U.S.C. 1437 et seq.) is amended by adding at the end  
 16 the following:

17 **“SEC. 37. STATE HOUSING BLOCK GRANT.**

18 “(a) PURPOSE.—The purpose of this section is to cre-  
 19 ate options for States and to provide maximum freedom  
 20 to States to determine the manner in which to implement  
 21 assisted housing reforms.

22 “(b) AUTHORITY.—Notwithstanding any other provi-  
 23 sion of law, a State may assume control of the Federal  
 24 housing assistance funds available to residents in that  
 25 State following the execution of a performance agreement  
 26 with the Secretary in accordance with this section.

1 “(c) PERFORMANCE AGREEMENT.—

2 “(1) IN GENERAL.—A State may, at its option,  
3 execute a performance agreement with the Secretary  
4 under which the provisions of law described in sub-  
5 section (d) shall not apply to such State, except as  
6 otherwise provided in this section.

7 “(2) APPROVAL OF PERFORMANCE AGREE-  
8 MENT.—A performance agreement submitted to the  
9 Secretary under this section shall be approved by the  
10 Secretary unless the Secretary makes a written de-  
11 termination, within 60 days after receiving the per-  
12 formance agreement, that the performance agree-  
13 ment is in violation of the provisions of this section.

14 “(3) TERMS OF PERFORMANCE AGREEMENT.—  
15 Each performance agreement executed pursuant to  
16 this section shall include each of the following provi-  
17 sions:

18 “(A) TERM.—A statement that the term of  
19 the performance agreement shall be 5 years.

20 “(B) APPLICATION OF PROGRAM REQUIRE-  
21 MENTS.—A statement that no program require-  
22 ments of any program included by the State in  
23 the performance agreement shall apply, except  
24 as otherwise provided in this Act.

1           “(C) LIST.—A list provided by the State of  
2           the programs that the State would like to in-  
3           clude in the performance agreement.

4           “(D) USE OF FUNDS TO IMPROVE HOUS-  
5           ING OPPORTUNITIES FOR LOW-INCOME INDIVID-  
6           UALS AND FAMILIES.—Include a 5-year plan  
7           describing the manner in which the State in-  
8           tends to combine and use the funds for pro-  
9           grams included in the performance agreement  
10          to advance the low-income housing priorities of  
11          the State, improve the quality of low-income  
12          housing, reduce homelessness, reduce crime,  
13          and encourage self-sufficiency by achieving the  
14          performance goals.

15          “(E) PERFORMANCE GOALS.—

16               “(i) IN GENERAL.—A statement of  
17               performance goals established by the State  
18               for the 5-year term of the performance  
19               agreement that, at a minimum measures—

20                       “(I) improvement in housing con-  
21                       ditions for low-income individuals and  
22                       families;

23                       “(II) the increase in the number  
24                       of assisted units that pass housing  
25                       quality inspections;

1 “(III) the increase in economic  
2 opportunity and self-sufficiency and  
3 increases the number of residents that  
4 obtain employment;

5 “(IV) the reduction in crime and  
6 assistance to victims of crime;

7 “(V) the reduction in homeless-  
8 ness and the level of poverty;

9 “(VI) the cost of assisted housing  
10 units provided;

11 “(VII) the level of assistance pro-  
12 vided to people with disabilities and to  
13 the elderly;

14 “(VIII) the success in maintain-  
15 ing and increasing the stock of afford-  
16 able housing and increasing home-  
17 ownership; and

18 “(IX) numerical goals to attain  
19 for each performance goal by the end  
20 of the performance agreement.

21 “(ii) ADDITIONAL INDICATORS OF  
22 PERFORMANCE.—A State may identify in  
23 the performance agreement any indicators  
24 of performance such as reduced cost.

1           “(F) FISCAL RESPONSIBILITIES.—An as-  
2           surance that the State will use fiscal control  
3           and fund accounting procedures that will ensure  
4           proper disbursement of, and accounting for,  
5           Federal funds paid to the State or community  
6           under this Act. Recipients will use Generally  
7           Accepted Accounting Principles (GAAP).

8           “(G) CIVIL RIGHTS.—An assurance that  
9           the State will meet the requirements of applica-  
10          ble Federal civil rights laws including section  
11          25(k).

12          “(H) STATE FINANCIAL PARTICIPATION.—  
13          An assurance that the State will not signifi-  
14          cantly reduce the level of spending of State  
15          funds for housing during the term of the per-  
16          formance agreement.

17          “(I) ANNUAL REPORT.—An assurance that  
18          not later than 1 year after the execution of the  
19          performance agreement, and annually there-  
20          after, each State shall disseminate widely to the  
21          general public, submit to the Secretary, and  
22          post on the Internet, a report that includes low-  
23          income housing performance data and a de-  
24          tailed description of the manner in which the  
25          State has used Federal funds to provide low-in-

1           come housing assistance to meet the terms of  
2           the performance agreement.

3           “(4) AMENDMENT TO PERFORMANCE AGREE-  
4           MENT.—A State may submit an amendment to the  
5           performance agreement to the Secretary under the  
6           following circumstances:

7                   “(A) REDUCE SCOPE OF PERFORMANCE  
8                   AGREEMENT.—Not later than 1 year after the  
9                   execution of the performance agreement, a  
10                  State may amend the performance agreement  
11                  through a request to withdraw a program from  
12                  such agreement. Upon approval by the Sec-  
13                  retary of the amendment, the requirements of  
14                  existing law shall apply for any program with-  
15                  drawn from the performance agreement.

16                  “(B) EXPAND SCOPE OF PERFORMANCE  
17                  AGREEMENT.—Not later than 1 year after the  
18                  execution of the performance agreement, a  
19                  State may amend its performance agreement to  
20                  include additional programs and performance  
21                  indicators for which it will be held accountable.

22           “(d) ELIGIBLE PROGRAMS.—

23                  “(1) IN GENERAL.—The provisions of law re-  
24                  ferred to in subsection (c), are—

1           “(A) the voucher program for rental assist-  
 2           ance under section 8(o) of the United States  
 3           Housing Act of 1937;

4           “(B) the programs for project-based assist-  
 5           ance under section 8 of the United States  
 6           Housing Act of 1937;

7           “(C) the program for housing for the el-  
 8           derly under section 202 of the Housing Act of  
 9           1959;

10          “(D) the program for housing for persons  
 11          with disabilities under section 811 of the Cran-  
 12          ston-Gonzales National Affordable Housing Act;  
 13          and

14          “(2) ALLOCATION AMOUNTS.—A State may  
 15          choose to combine funds from any or all the pro-  
 16          grams described in paragraph (1) without regard to  
 17          the program requirements of such provisions, except  
 18          as otherwise provided in this Act.

19          “(3) USES OF FUNDS.—Funds made available  
 20          under this section to a State shall be used for any  
 21          housing purpose other than those prohibited by  
 22          State law of the participating State.

23          “(e) WITHIN-STATE DISTRIBUTION OF FUNDS.—  
 24          The distribution of funds from programs included in the  
 25          performance agreement from a State to a local housing

1 agency within the State shall be determined by the State  
 2 legislature and the Governor of the State. In a State in  
 3 which the State constitution or State law designates an-  
 4 other individual, entity, or agency to be responsible for  
 5 housing, such other individual, entity, or agency shall work  
 6 in consultation with the Governor and State legislature to  
 7 determine the local distribution of funds.

8 “(f) SET-ASIDE FOR STATE ADMINISTRATIVE EX-  
 9 PENDITURES.—A State may use not more than 3 percent  
 10 of the total amount of funds allocated to such State under  
 11 the programs included in the performance agreement for  
 12 administrative purposes.

13 “(g) LEVEL OF BLOCK GRANT.—

14 “(1) IN GENERAL.—During the initial 5 years  
 15 following execution of the performance agreement, a  
 16 participating State shall receive the highest level of  
 17 funding for the 3 years prior to the first year of the  
 18 performance agreement in each program included in  
 19 the block grant. This level will be adjusted each year  
 20 by multiplying the prior year’s amount by the cost-  
 21 of-living adjustment determined under section  
 22 1(f)(3) of the Internal Revenue Code of 1986.

23 “(2) FORMULA.—Six months after the effective  
 24 date of the Local Housing Opportunities Act, the  
 25 Secretary shall submit to Congress recommendations

1 for a block grant formula that reflects the relative  
2 low-income level and affordable housing needs of  
3 each State.

4 “(h) PERFORMANCE REVIEW.—

5 “(1) IN GENERAL.—If at the end of the 5-year  
6 term of the performance agreement a State has  
7 failed to meet at least 80 percent of the performance  
8 goals submitted in the performance agreement, the  
9 Secretary shall terminate the performance agree-  
10 ment and the State shall be required to comply with  
11 the program requirement, in effect at the time of  
12 termination, of each program included in the per-  
13 formance agreement.

14 “(2) RENEWAL.—A State that seeks to renew  
15 its performance agreement shall notify the Secretary  
16 of its renewal request not less than 6 months prior  
17 to the end of the term of the performance agree-  
18 ment. A State that has met at least 80 percent of  
19 its performance goals submitted in the performance  
20 agreement at the end of the 5-year term may re-  
21 apply to the Secretary to renew its performance  
22 agreement for an additional 5-year period. Upon the  
23 completion of the 5-year term of the performance  
24 agreement or as soon thereafter as the State sub-  
25 mits data required under the agreement, the Sec-

1       retary shall renew, for an additional 5-year term, the  
 2       performance agreement of any State or community  
 3       that has met at least 80 percent of its performance  
 4       goals.

5       “(i) PERFORMANCE REWARD FUND.—To reward  
 6 States that make significant progress in meeting perform-  
 7 ance goals, the Secretary shall annually set aside sufficient  
 8 funds to grant a reward of up to 5 percent of the funds  
 9 allocated to participating States.

10      “(j) DEFINITIONS.—In this section:

11           “(1) COMMUNITY.—The term ‘community’  
 12 means any local governing jurisdiction within a  
 13 State.

14           “(2) SECRETARY.—The term ‘Secretary’ means  
 15 the Secretary of Housing and Urban Development.

16           “(3) STATE.—The term ‘State’ means each of  
 17 the 50 States, the District of Columbia, the Com-  
 18 monwealth of Puerto Rico, Guam, the United States  
 19 Virgin Islands, the Commonwealth of the Northern  
 20 Mariana Islands, and American Samoa.”.

**TITLE VIII—PRIVATE SECTOR  
INCENTIVES**

**SEC. 801. SENSE OF CONGRESS REGARDING LOW-INCOME  
HOUSING TAX CREDIT STATE CEILINGS AND  
PRIVATE ACTIVITY BOND CAPS.**

(a) FINDINGS.—Congress finds that—

(1) the low-income housing tax credit and private activity bonds have been valuable resources in the effort to increase affordable housing;

(2) the low-income housing tax credit and private activity bonds effectively utilize the ability of the States to deliver resources to the areas of greatest need within their jurisdictions; and

(3) the value of the low-income housing tax credit and the private activity bonds have been eroded by inflation.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the State ceiling for the low-income housing tax credit should be increased by 40 percent in the year 2000, and the level for the State ceiling should be adjusted annually to account for increases in the cost of living; and

(2) the private activity bond cap should be increased by 50 percent in the year 2000, and the

1 value of the cap should be adjusted annually to ac-  
 2 count for increases in the cost of living.

### 3 **TITLE IX—ENFORCEMENT**

#### 4 **SEC. 901. PROHIBITION ON USE OF APPROPRIATED FUNDS** 5 **FOR LOBBYING BY THE DEPARTMENT.**

6 (a) IN GENERAL.—Subchapter III of chapter 13 of  
 7 title 31, United States Code, is amended by adding at the  
 8 end the following:

#### 9 **“§ 1354. Prohibition on lobbying by the Department** 10 **of Housing and Urban Development**

11 “(a) PROHIBITION.—Except as provided in sub-  
 12 section (b), unless such activity has been specifically au-  
 13 thorized by an Act of Congress and notwithstanding any  
 14 other provision of law, no funds made available to the De-  
 15 partment of Housing and Urban Development by appro-  
 16 priation shall be used by such agency for any activity (in-  
 17 cluding the preparation, publication, distribution, or use  
 18 of any kit, pamphlet, booklet, public presentation, news  
 19 release, radio, television, or film presentation, video, or  
 20 other written or oral statement) that in any way tends  
 21 to promote public support or opposition to any legislative  
 22 proposal (including the confirmation of the nomination of  
 23 a public official or the ratification of a treaty) on which  
 24 congressional action is not complete.

25 “(b) EXCEPTIONS.—

1           “(1) PRESIDENT AND VICE PRESIDENT.—Sub-  
 2           section (a) shall not apply to the President or Vice  
 3           President.

4           “(2) CONGRESSIONAL COMMUNICATIONS.—Sub-  
 5           section (a) shall not be construed to prevent any of-  
 6           ficer or employee of the Department of Housing and  
 7           Urban Development from—

8                   “(A) communicating directly to a Member  
 9                   of Congress (or to any staff of a Member or  
 10                  committee of Congress) a request for legislation  
 11                  or appropriations that such officer or employee  
 12                  deems necessary for the efficient conduct of the  
 13                  public business; or

14                   “(B) responding to a request for informa-  
 15                  tion or technical assistance made by a Member  
 16                  of Congress (or by any staff of a Member or  
 17                  committee of Congress).

18           “(3) PUBLIC COMMUNICATIONS ON VIEWS OF  
 19           PRESIDENT.—

20                   “(A) IN GENERAL.—Subsection (a) shall  
 21                  not be construed to prevent any Federal agency  
 22                  official whose appointment is confirmed by the  
 23                  Senate, any official in the Executive Office of  
 24                  the President directly appointed by the Presi-  
 25                  dent or Vice President, or the head of any Fed-

1           eral agency described in subsection (e)(2), from  
 2           communicating with the public, through radio,  
 3           television, or other public communication media,  
 4           on the views of the President for or against any  
 5           pending legislative proposal.

6           “(B)     NONDELEGATION.—Subparagraph  
 7           (A) does not permit any Federal agency official  
 8           described in that subparagraph to delegate to  
 9           another person the authority to make commu-  
 10          nications subject to the exemption provided by  
 11          that subparagraph.

12       “(c) COMPTROLLER GENERAL.—

13           “(1) ASSISTANCE OF INSPECTOR GENERAL.—In  
 14           exercising the authority provided in section 712, as  
 15           applied to this section, the Comptroller General may  
 16           obtain, without reimbursement from the Comptroller  
 17           General, the assistance of the Inspector General  
 18           within the Department of Housing and Urban De-  
 19           velopment when any activity prohibited by subsection  
 20           (a) of this section is under review.

21           “(2) EVALUATION.—One year after the date of  
 22           enactment of this section, the Comptroller General  
 23           shall report to the Committee on Banking and Fi-  
 24           nancial Services of the House of Representatives and  
 25           the Committee on Banking, Housing, and Urban Af-

1       fairs of the Senate on the implementation of this  
2       section.

3               “(3) ANNUAL REPORT.—The Comptroller Gen-  
4       eral shall, in the annual report under section 719(a),  
5       include summaries of investigations undertaken by  
6       the Comptroller General with respect to subsection  
7       (a).

8       “(d) PENALTIES AND INJUNCTIONS.—

9               “(1) PENALTIES.—

10              “(A) IN GENERAL.—The Attorney General  
11       may bring a civil action in the appropriate dis-  
12       trict court of the United States against any  
13       person who engages in conduct constituting an  
14       offense under this section, whether such offense  
15       is due to personal participation in any activity  
16       prohibited in subsection (a) or improper delega-  
17       tion to another person the authority to make  
18       exempt communications in violation of sub-  
19       section (b)(3), and, upon proof of such conduct  
20       by a preponderance of the evidence, such person  
21       shall be subject to a civil penalty of not less  
22       than \$5,000 and not more than \$10,000 for  
23       each violation.

24              “(B) OTHER REMEDIES NOT PRE-  
25       CLUDED.—The imposition of a civil penalty

under this subsection does not preclude any other criminal or civil statutory, common law, or administrative remedy, which is available by law to the United States or any other person.

“(2) INJUNCTIONS.—

“(A) IN GENERAL.—If the Attorney General has reason to believe that a person is engaging in conduct constituting an offense under this section, whether such offense is due to personal participation in any activity prohibited in subsection (a) or improper delegation to another person the authority to make exempt communications in violation of subsection (b)(3)—

“(i) the Attorney General may petition an appropriate district court of the United States for an order prohibiting that person from engaging in such conduct; and

“(ii) the court may issue an order prohibiting that person from engaging in such conduct if the court finds that the conduct constitutes such an offense.

“(B) OTHER REMEDIES NOT PRECLUDED.—The filing of a petition under this section does not preclude any other remedy

1           which is available by law to the United States  
2           or any other person.

3           “(e) DEFINITION.—In this section, the term ‘Federal  
4 agency’ means—

5           “(1) any executive agency, within the meaning  
6           of section 105 of title 5; and

7           “(2) any private corporation created by a law of  
8           the United States for which the Congress appro-  
9           priates funds.”.

10          (b) CONFORMING AMENDMENT.—The table of sec-  
11 tions for chapter 13 of title 31, United States Code, is  
12 amended by inserting after the item relating to section  
13 1353 the following:

“1354. Prohibition on lobbying by the Department of Housing and Urban De-  
velopment.”.

14          (c) APPLICABILITY.—The amendments made by this  
15 section shall apply to the use of funds after the effective  
16 date of this Act, including funds appropriated or received  
17 on or before that date.

18 **SEC. 902. REGULATIONS.**

19          Not later than 6 months after the date of enactment  
20 of this Act, the Secretary shall issue such regulations as  
21 may be necessary to carry out this Act and the amend-  
22 ments made by this Act.

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